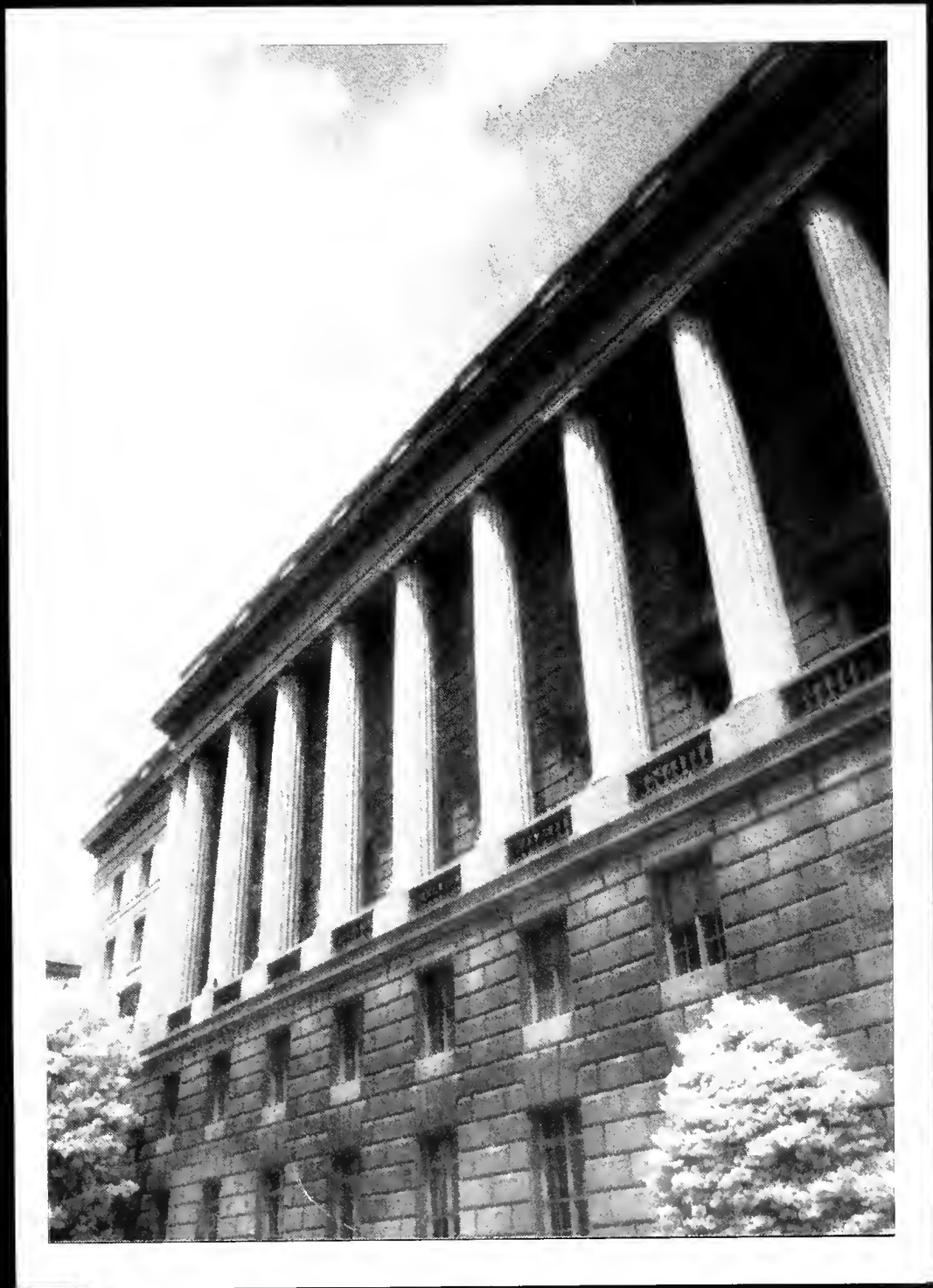
The IRS Research Bulletin 1995-1996



Internal Revenue Service

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Cover :

The IRS Main Building
Washington, D.C.

Cover *Photograph* by Bonnie Nichols

1995 IRS Regional and District Offices

Midstates Region
Arkansas-Oklahoma District
(Little Rock)
(Oklahoma City)
Houston District
(Houston)
Illinois District
(Chicago)
(Springfield)
Kansas-Missouri District
(St. Louis)
(Wichita)
Midwest District
(Des Moines)
(Milwaukee)
(Omaha)
North Central District
(Aberdeen)
(Fargo)
(St. Paul)
North Texas District
(Dallas)
South Texas District
(Austin)

Southeast Region
Delaware-Maryland District
(Baltimore)
(Wilmington)
Georgia District
(Atlanta)
Gulf Coast District
(Birmingham)
(Jackson)
(New Orleans)
Indiana District
(Indianapolis)
Kentucky-Tennessee District
(Louisville)
(Nashville)
North Florida District
(Jacksonville)
North-South Carolina District
(Columbia)
(Greensboro)
South Florida District
(Fort Lauderdale)
Virginia-West Virginia District
(Richmond)
(Parkersburg)

Northeast Region
Brooklyn District
(Brooklyn)
Connecticut-Rhode Island District
(Hartford)
(Providence)
Manhattan District
(Manhattan)
Michigan District
(Detroit)
New England District
(Augusta)
(Boston)
(Burlington)
(Portsmouth)
New Jersey District
(Newark)
Ohio District
(Cincinnati)
(Cleveland)
Pennsylvania District
(Philadelphia)
(Pittsburgh)
Upstate New York District
(Albany)
(Buffalo)

Western Region
Central California District
(San Jose)
Los Angeles District
(Los Angeles)
Northern California District
(Sacramento)
(San Francisco)
Pacific-Northwest District
(Anchorage)
(Honolulu)
(Portland)
(Seattle)
Rocky Mountain District
(Boise)
(Cheyenne)
(Denver)
(Helena)
(Salt Lake City)
Southern California District
(Laguna Niguel)
Southwest District
(Albuquerque)
(Las Vegas)
(Phoenix)

Assistant Commissioner (International)

Traditional districts are listed in parenthesis under the new districts.
New regions effective October 1995; new districts effective September 1996.

Foreword

According to English author Samuel Johnson, "Knowledge is of two kinds. We know a subject ourselves, or we know where we can find information upon it." ***The IRS Research Bulletin*** offers one such place to find information. Since 1985, the Bulletin (formerly ***Trend Analyses and Related Statistics***) has provided analytical and statistical data on significant trends and major IRS research findings related to tax administration. Our key internal customers are those IRS executives, managers, and staff with major responsibilities for understanding and improving the way we do business. Our primary external customers include policy makers, researchers, and tax practitioners who seek to shape a more efficient and equitable tax system.

The trends, research findings, and other information presented in this publication provide valuable insights tied directly to IRS' business vision and strategic objectives. Hence, the research articles and abstracts presented here are organized around the following goals: Increase Voluntary Compliance; Maximize Customer Service and Reduce Burden; and Achieve Quality-Driven Productivity Through Systems Improvement and Employee Development.

Among the articles contained under the Increase Voluntary Compliance group is Ken Beier's composite article on DORA automotive industry profiles. This article summarizes one of the earliest efforts made by DORAs and compares the DORA findings to the results of an initial California automotive industry profile. "Characteristics of Individual Income Tax Nonfilers" by Chih-Chin Ho differs from past IRS nonfiler studies in that it reports the characteristics of both nonfilers "located" by IRS investigations, as well as estimates for "unlocatable" nonfilers. The last article contained in the voluntary compliance collection, by Ivette Y Alamo-Tirado and Ralph Collinson of the North Florida DORA office, is a profile of taxpayers with recurring tax delinquencies.

In addition to compliance related issues, this edition of the Bulletin includes two articles that address customer service. The first, "IRS on the Information Highway," by Linda Wallace, discusses the technology that enables the public to obtain tax-forms and information using the Internet. Dennis Raup, Fred Apelquist, and Larry Bunkelman author a second technology-related paper—"Kiosks, Electronic Government, and One-Stop Shopping." This paper describes the Info/California pilot test in which taxpayers attained information from an innovative kiosk approach. Under the third strategic grouping of articles relative to systems improvement, George Deller and Alan Kravetz discuss the Problem Resolution and Tracking System designed to service taxpayers whose needs are not being met through normal IRS procedures. This article is followed by "Compliance and Business Process Redesign" by Susan Novotny. This paper discusses IRS Core Business Systems, focusing on the Ensuring Compliance component of CBS. Also under this productivity improvement topic is Martin Roth's article on the use of financial ratios to predict taxpayer bankruptcy.

The IRS Research Bulletin has a Servicewide focus and should be of interest to all IRS employees engaged in systematic efforts to understand and redesign the organization to serve the public better. Much of the research described in the articles and abstracts contained in this edition was conducted before or during the IRS reorganization and consolidation of regions and district offices. Therefore, the reader will find references to both the old and new IRS regional geographies in this publication. For comparison purposes, the statistical tables show economic data and tax-form volumes for both the new (consolidated) regions and districts and the old (pre-1995) areas. We hope you find this edition of the Bulletin insightful and thought-provoking. As always, we welcome your comments and suggestions about this publication. Please direct your feedback to the Chief, Projections and Forecasting Group (202) 874-0090 or by fax at (202) 874-0634.

Wayne Thomas
National Director, Compliance Research

Table of Contents

IRS Research Bulletin

1995/1996 Edition

National Office Compliance Research

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Abstracts

Increase Voluntary Compliance

Maximize Customer Service and Reduce Burdern

Achieve Quality-Driven Productivity Through Systems Improvement and Employee Development

Statistical Tables

Indexes

Trends 1995/1996

by Jason J. Fichtner and David Browne

INTRODUCTION

The Internal Revenue Service is going through a time of great change, in part reflecting the end-of-the-century societal changes occurring outside the organization. In The IRS Research Bulletin, "Trends 1995/1996" section, we focus on issues external to the organization that have the potential to have an impact on our ability to achieve our objectives. This "trends analysis" section is a continual, iterative process, building from one year to the next. As such, the questions and issues that we have raised in the previous years remain this year, we add to them and tie them to the high-level IRS policy issues that define our organization.

Particular attention has been given this year to categorizing trends into three general categories with corresponding subcategories:

- Economics (Gambling & Lotteries, Employment & Work, Finances, Tax Notes)
- Social (Aging & Retirement, Child Care, Demographics, Marriage & Family)
- Technological (Electronic Benefits Transfer, Computer Issues)

Policy Connections

One notable topic not covered here is tax reform legislation. We have not included trends relating to major tax reform proposals, some of which would have a significant impact on current tax administration, given the uncertainty of their eventual outcome.

What do the following trend items mean to the IRS? How do they affect our ability to fulfill our mission? To answer these questions, evaluate the following issues in light of how they relate to the three corporate objectives of the IRS:

- to increase voluntary compliance
- to maximize customer satisfaction and reduce burden
- to achieve quality-driven productivity through systems improvement and employee development.

Further evaluate these issues in terms of how they aid in the goal set out in the Government Performance and Results Act (GPRA) of 1993 that federal organizations identify "those key factors external to the agency and beyond its control that could significantly affect the achievement of the general goals and objectives."

In other words, a crucial part of the analysis of issues and the trends that stem from them is to examine them in terms of their relevance on voluntary compliance, taxpayer burden, customer satisfaction, productivity, and organization control.

The issues that follow impact the IRS in one or in many of these categories. The IRS Research Bulletin helps begin the strategic planning process by identification of these issues and communicating them to a wider audience for discussion and analysis in later forums.

Additional Questions To Ponder

Many people read the "Trends" section and wonder what this has to do with research or the IRS. Although the section is very interesting, some people have a hard time associating the applicability of the issues emerging from the "Trends" section to their daily work. With this in mind, we suggest the reader keep in mind the following questions to assist them in making that essential connection:

1. Has this issue changed direction, speed, intensity, or volume over the last year?
2. Is this an issue that may continue to be important or is it temporary?
3. Is this an issue over which the IRS has any influence?
4. How does this issue affect IRS issues, such as compliance, efficiency and customer satisfaction?
5. Does this issue offer the IRS anyopportunities or benefits?
6. What obstacles could this issue cause for the IRS?
7. Is this an issue that is more regional or local than national?
8. How does this issue affect the employees that I manage or my co-workers?

With these questions in mind, we hope the following trends can assist the reader in developing and strengthening IRS strategies and policies to improve the service the IRS provides to the public and to make the IRS a better place to work for all.

The following trends are presented in an index style (i.e. three general categories with more defined subcategories listed on the left and the text on the right). This format allows readers easier reference to the material presented and even to selectively choose those areas which have a greater interest to them.

ISSUES

Building on the issues identified in previous editions of the IRS Research Bulletin, this year we look more closely at issues that will be with us until the end of the century. We note that for individuals, the economic factors in the world continue to be unstable as are the complex and changing social issues that surround economic life. Driving both of these areas is the world of technology where change is a given.

ECONOMICS

No where is the insecurity of the modern world more apparent than in the area of economics. The resources of households are stretched more tightly these days as debt loads, prices, and obligations increase. Underlying the economic sense of unease is the perceived disappearance of a stable, lifelong employer. Reengineering has left employees more cautious and less likely to feel loyalty to their employer. Jobs themselves are less easily defined as organizations attempt to become less functional and more customer-process oriented. Some of these factors could combine to lessen the citizen's ability to live up to tax responsibilities.

Gambling & Lotteries

Although twenty-one states offer legal casino gambling, the casinos are a limited source of tax revenue. Money directed to casino gambling can take money away from taxable product purchases and lottery transactions. Additionally, according to a study done by the Aspen Institute and the Ford Foundation, "there is a direct increase in the numbers of people with pathological gambling problems" and the legalization of gambling. This may affect the citizens' ability to pay taxes. A growing political issue also concerns the large amount of gambling money that becomes available for influence peddling.
The Washington Post. February 24, 1995

The legal gambling industry of casinos and state-run lotteries is only the tip of the iceberg. Entering the home computer world, we find increased numbers of "virtual betting parlors" available to gamblers. Most of these games are unregulated -- and perhaps not able to be regulated -- and are a growing part of a $10 billion a year industry. This is only the beginning: by the year 2020, an estimated 260 million adults will be "interactively literate" and therefore potential users of virtual gambling.
The Washington Post. February 24, 1995

So, just where do Americans go for entertainment? Baseball games attract 70 million visitors, football games 47 million and arena concerts 30 million. However, casinos were number one, with 125 million visitors. More than baseball and football visitors combined.
The USA Today. July 8, 1995

According to numbers obtained from *International Gaming and Wagering Business* magazine, and reported in the *Daily Tax Report*, the gross amount of money wagered on all forms of gambling in 1994 was $482 billion. This included $367 billion at casinos and $34 billion in lotteries.
Daily Tax Report. August 28, 1995

The gaming industry's race across America has hit a speed bump. New opportunities to open casinos are dwindling fast as a number of populous states are deciding not to legalize casino gambling. Five years ago, the common consensus indicated opportunities for gambling all over the country. Now, the confidence of a relatively healthy economy and a popular backlash against gambling's explosive growth during the early 1990's has deteriorated support for gambling as a source of community revenue.
The Wall Street Journal. November 28, 1995

Employment / Work

The U.S. economy has grown 4.3% in the past year, generating more than 3 million jobs and pulling unemployment down to late 1980s levels. Yet labor-force growth lately has been unusually restrained: averaging a bit more than 1% a year, compared with 1.7% in the 1980s. Economist Alan Reynolds of the Hudson Institute notes that as a result of expanded tax credits (cash payments) to poor working households and higher taxes levied on the rich, both groups face marginal tax rates over 40%. Such high rates, he believes, have dampened work effort and labor-force participation by rich and poor alike.
Business Week. December 12, 1994

Most companies don't have a policy on the proper use of e-mail, says Quality Training International. In a survey of 317 executive secretaries by Quality Training, 43.5% said their company had no policy on e-mail use, while 38.7% said their company did. But follow-up interviews revealed that many of the latter had only assumed their companies possessed formal guidelines. Companies can be liable for employee misdeeds on e-mail, such as defamatory comments, because the network is a company asset.
Wall Street Journal. December 29, 1994

Employees with depression took an average 40 days off at banking firm First Chicago from 1989 to 1992, higher absenteeism than due to back pain, heart disease, high blood pressure, diabetes and other mental-health ailments, says a report in the Journal of Occupational Medicine. First Chicago paid half of its mental-health claims for depression during the period, compared with 7% for alcoholism and drug abuse. Health experts allied with some companies, use the report's results in a national public education campaign on workplace depression. Texaco, General Motors and others fund a depression kit for employee-assistance staffs. The National Alliance for the Mentally Ill has packages available for both men and women alerting them to the symptoms of mental illness.
Wall Street Journal. January 3, 1995

A "pass" at work means different things to men and women, say University of Arizona researchers. In a survey of 1,700 workers, less than 1% of women said they would be flattered if asked by a man at work to engage in sex; 13% of men would consider such a proposition flattering. About half the women said they would be insulted; only 8% of the men responded that way.
Wall Street Journal. January 3, 1995

Is office voice mail private? Don't bet on it. The practice of eavesdropping on voice mail appears to be more widespread than many people realize. A 1993 survey of 301 employers conducted by MacWorld found that 22% of those who responded admitted to monitoring employee voice mail, electronic mail or computer files. Moreover, the survey found that many of the employers did so without their workers' knowledge or consent.
Wall Street Journal. February 28, 1995

Full-time employees in the U.S. worked an average of 163 hours more in 1987 than in 1969. That is an extra month of work, reports economist Juliet B. Schor in *The Overworked American*. Many Americans now say that time is a more precious resource than extra money. The long work hours Americans complain about may even be a drag on the economy. Overworked consumers presumably have less time to pay attention to advertising, shop around, or experiment with new products and services.
American Demographics. March 1995

In the past year the optimism of Americans has continued a decade-long disintegration. Economic uncertainty, disillusionment with government and elites, and growing disgruntlement in the workforce have all contributed to declines in expectations for the future, which Roper Reports have been tracking for over twenty years. For the first time ever, fewer than half of Americans (48%) say they are optimistic about the future of the quality of life in this country. Even larger drops occurred in those feeling optimistic about the institution of marriage and the family (41%), the soundness of our economic system over the long run (35%), and the moral and ethical standards in our country (19%).
Roper Reports. March 1995.

With all the re-engineering, downsizing, rightsizing and redesigning going on, employees' work-family conflicts are taking a back seat at many companies. A survey of a dozen anonymous big employers shows that at two-thirds, use of programs like flexible schedules and personal leave is flat or falling. At a time when many re-engineering efforts are drawing fire for failing to enlist the support of the people who do the work, employees are now being asked to question and improve they way they work in order to increase their efficiency and output as well as improve the quality of their workplace environment.
Wall Street Journal. March 1, 1995

Domestic violence is spilling into the workplace, though numbers are hard to come by. Homicide was the number two cause of death in the workplace in 1992, according to the Bureau of Labor Statistics. And in the year ended July 1993, 2.2 million people were attacked at work, according to Northwestern National Life Insurance Co., Minneapolis. In the past, employers who learned of domestic violence often looked the other way. But that's changing, with more women in the workplace, high divorce rates and more antistalking orders against abusers. More companies are wrestling with the issue partly out of humane concern, but also to keep talent, reduce absenteeism and avoid liability.
Wall Street Journal. March 2, 1995

Despite essentially flat labor force participation rates for men aged 50 years and older during the past decade, early pensioners returned to work at increasing rates from 1984 to 1993. In the 1980's, labor force participation rates for older men leveled off for the first time on record, suggesting an end to the long-term trend toward earlier retirement. With the onset of a recession in 1990, however, concern about labor shortages quickly disappeared, and older persons were increasingly seen as a prime target for cost cutting through early retirement buy-outs, as well as layoffs. According to the Bureau of Labor Statistics, factors that may induce early pensioners back to work include: changes in types and provisions of pension, increases in health care costs, longer and healthier life expectancies, increased layoffs, unexpected retirement, and expanded opportunities to work under reduced or flexible schedules.
Monthly Labor Review. April 1995.

American's jobs and employers were once easy to describe, but now they are becoming far more complex. Decentralization and technological advances are changing the average American's primary income source from an inflexible, secure job to a constantly evolving work assignment. In the emerging work world, traditional management duties will disappear. So will such artifacts as the eight-hour day, leaves of absence, vacations, and retirement. The organization will encourage workers to make decisions in teams and spend liberally on training, give every employee the information once restricted to top management, and share the company's profits with workers.
American Demographics. April 1995

Don't ask customers about their gripes unless you plan to fix them, says Joe O'Leary, head of Arthur Andersen's customer satisfaction practice. Surveys have a role, but the intelligence from polls should not get stuck in the marketing department. To work, it must be communicated to the front-line customer-contact employees.
Wall Street Journal. May 9, 1995

Pregnancy discrimination complaints to the Equal Employment Opportunity commission keep rising, with 4,170 complaints filed in 1994, up from 3,000 in 1991. The steady increase coincides with the enactment of the Civil Rights Act of 1991, which let women get compensatory and punitive damages for discrimination, as well as back pay. More women having children after their careers are established may also help explain the trend. A research group says that when maternity leaves are available, 71% of new mothers return to work within six months.
Wall Street Journal. May 16, 1995

Entry-level job requirements get stiffer every year. It is now virtually impossible to land entry-level jobs without previous work experience, personnel experts say. Companies demand more as jobs become more specialized and competition from highly qualified foreign students increases. Some want applicants with proven interpersonal skills to make sure they can work in teams, an ability best acquired through experience, companies think.
Wall Street Journal. May 16, 1995

Today, work among women is the rule rather than the exception. In 1940, nearly 3 in 10 women of working age were in the labor force - that is, they either held a job or were looking for work. In 1994, the 60.2 million women in the labor force accounted for about 6 of every 10 women in the population 16 years old and over. In terms of their proportion of the labor force, women accounted for 46 percent of the total in 1994, up from 24 percent in 1940.
Women in the Workforce: An Overview. U.S. Department of Labor. Bureau of Labor Statistics. July 1995.

Technology continues to become an integral part of our everyday functions, but the new wave isn't always embraced by the public. When respondents were asked whether they trusted computer e-mail or the U.S. Postal Service to deliver a message, 64% said they trust the Postal Service more. Thirty percent trust computer e-mail and 2% trust both equally.
ICR Survey Research Group, in The USA Today. July 19, 1995

Worker across the country all have their own idea of why productivity is not what it could be. Surprisingly, most of those answering a recent survey did not seem as concerned with tangible problems (low pay, too few supplies, etc.) as philosophical ones. Twenty percent of respondents said that lack of direction hindered productivity. Others: lack of support (18%), too much work (18%), and inefficient processes (8%).
Yankelovich Partners, in The USA Today. August 29, 1995

About 67% of 662 high school seniors surveyed by DayTimers Inc., did paid work for at least 10 hours or more.
The Wall Street Journal. September 5, 1995

A woman's work is never done. According to the *Human Development Report 1995*, the average minutes of work per day by women is more than for men in both industrial and developing nations. Women work an average of 453 minutes a week (428 for men) in the U.S., 544 in developing countries (483 for men) and 430 in industrial countries (408 for men). Not included in these figures is the time spent on taking care of the home, children, garden and pets.
The USA Today. September 15, 1995

Workplace absenteeism is up 14% since 1992 and costs U.S. companies an average $668 per employee annually. Reasons most often given for unscheduled absences: personal illness (45%), family issues (27%), personal needs (13%), feel entitled (9%), and stress (6%).
CCH survey, in The USA Today. November 3, 1995

College graduates will have an easier time finding jobs next year, but they won't be getting paid much more - only a half percentage point more. The Michigan State University survey of 527 businesses, industries and governmental agencies says grads have better job prospects if they have experience. Is also says the number of college grads who can expect jobs will jump 4.7% next year, the third straight gain. Engineers corner the market on best starting salaries. The best starting salaries are Chemical engineers ($41,182), mechanical engineers ($37,265), and Electrical engineers ($36,706). Starting salaries for Journalists were the lowest surveyed ($20,154).
The USA Today. December 4, 1995.

Flexible time benefits, such as work at home, flexible days or compressed weeks, have wide employee appeal. In a survey of over 42,000 employees, 41% of men and 53% of women use at least one option. Reasons cited for use of flex-time include: personal business (25.7%); child care (25.5%) and; reduced commuting time (18%).
CIGNA, in The USA Today. February 14, 1996

More than six in ten mothers of children under aged 18 are employed outside the home and represent nearly half of all women in the work force. Of full-time employed mothers: 48% have one child; 36% have two children; 12% have three children and; 4% have four or more children.
Intrep Research, in The USA Today. May 12, 1996

Finances

Credit card holders have been on a buying binge that could lead to a big bust. Balances outstanding on Visa and MasterCard credit cards at the end of 1994 were a record $256 billion, up 24% from 1993's $206 billion. That growth far exceeds the 5.8% growth in consumer spending. Eager to grab market share in a lucrative, seemingly low-risk business, bankers and issuers of such less widely held cards as Discover and Optima have been cranking out alluring credit card offers of low interest rates, no fees, and freebies such as frequent flier miles. The number of U.S. cards has soared: Visa and MasterCard increased from 208.5 million in 1990 to 266.5 million at the end of 1993. Consumers are increasingly using credit cards for things they used to buy with cash or checks. From supermarkets to dentists, almost every type of merchant now accepts credit cards. But if consumers routinely use cards for necessities, they may have trouble cutting back on charges if they lose their jobs or hit rough times.
Business Week. March 6, 1995

Six in Ten Americans have at least one credit card. Department store credit cards, owned by 43% of Americans are the most commonly held type of credit card, followed by Visa (40%) and MasterCard (31%). One-fifth of consumers each have a gasoline company credit card, and a telephone credit card.
Roper Reports. April 1995.

Slightly over half of Americans contributed money to their church or synagogue in the past year. Meanwhile, 49% donated to other charitable organizations. Altogether, 66% of Americans made a charitable donation last year. Among givers the average annual contribution to both types of charities combined grew from $484 in 1990 to $526 today, with the average amount given to a religious charity $370 (up $66) and the average donation to other organizations $203 (up $50).
Roper Reports. April 1995.

More investors own tax-exempt municipal bonds or municipal-bond fund shares, says the Public Securities Association. IRS data show about 4.7 million individual tax returns reported tax-exempt interest in 1993, up 46% from 1987.
The Wall Street Journal. August 23, 1995

Catalogue shopping has increased dramatically over the past decade as consumers search for convenience and bargains through the mail. About 98.5 million people, or more than half the adult population of the United States, ordered merchandise by mail or telephone in 1994, up from 64.4 million in 1984. The average U.S. household receives about 1.7 catalogues in the mail per week. Active mail-order shoppers may get more than three times that. What are adults purchasing? According to the Direct Marketing Association, 47.8 million adults purchased clothing, 32.4 million home furnishings, 11.1 million

electronic goods, and 7.6 million purchased food. Most catalogue orders are sales tax exempt, if purchased and delivered to a state other than the one from which the seller is residing, resulting in a tax loss for many states.
The Washington Post. December 18, 1995.

Bankruptcy filings for the first quarter of 1996, ending March 31, reached 266,149, the highest total for a three-month period in history. Filings increased 25.2% over the same period in 1995. For the 12-month period ending December 31, 1995, total **business** bankruptcy cases amounted to 51,926 (29,102 Chapter 7; 11,535 Chapter 11; 926 Chapter 12 and; 10,363 Chapter 13). For the same period, **personal** bankruptcy cases amounted to 874,642 (597,048 Chapter 7; 1,369 Chapter 11 and; 276,225 Chapter 13).
American Bankruptcy Institute. April 1996

Tax Notes

A new analysis by the Tax Foundation indicates that the top 1% of earners coughed up 27.4% of all federal individual income taxes in 1992, up from 19% a decade earlier. By contrast, the bottom 50% of income earners paid just 5.1% of all personal income taxes collected by the Treasury in 1992, compared with 7.3% in 1982. The catch is that the rich are getting a lot richer. The top 1% took in $524 billion, or 14.2% of total adjusted gross income, in 1992, up from 8.9% in 1982. Meanwhile, the income share of the lower 50% fell from 17.7% to 14.9%. Thus, the top 1% now rake in almost as much as the entire bottom half of earners.
Business Week. December 12, 1994

Japanese taxpayers share a similar resentment towards their current taxation system as the U.S., according to a poll by Louis Harris & Associates and Japan's Asahi Shimbun newspaper. Asked if taxes are imposed fairly or unfairly on people, 73% of Americans and 70% of Japanese replied "unfairly." Only 25% of the Americans polled and 19% of the Japanese said "fairly."
Wall Street Journal. December 21, 1994

Acronym phobia: the IRS uses so many acronyms even experts get confused. IRS Commissioner Richardson recalls one specialist listening to a discussion several years ago of the IRS's Art Advisory Panel, which values taxpayer gifts of artworks. The puzzled expert asked Richardson, then a Washington lawyer: "What does 'art' stand for?"
Wall Street Journal. January 11, 1995

Massachusetts offers prizes to encourage taxpayers to file by phone. The state wants people to use its new file-by-phone system, a cheaper way to process returns. About 1.1 million taxpayers with relatively simple returns are eligible. As an incentive, the state will pick 20 lucky "TeleFile" users in several drawings between January 31 and April 20. Winners will receive gift certificates worth between $250 and $2,500 at a Massachusetts retailer of their choice.
Wall Street Journal. January 11, 1995

Tax software grows more sophisticated, and sales continue to climb. As more people buy personal computers, they are turning increasingly to tax software programs. Publishers also benefit from taxpayer confusion over ever-changing and increasingly complex federal, state and local tax laws. Revenues of tax software publishers rose 19% in the first nine months of 1994 from the like 1993 period.
Wall Street Journal. January 18, 1995

On-line tax services are growing more diverse and more popular. Computer users who subscribe to on-line services increasingly are using them for such tax chores as seeking advice, reading popular tax guides, and buying software to file their returns. During a one week period, nearly 1,000 questions and answers were posted on a new tax forum on America Online. Members of a group of enrolled agents - government licensed tax preparers - gives much of the advice. Thousands of taxpayers have "downloaded" IRS forms or IRS publications through America Online, CompuServe and GEnie. The IRS also has a new national electronic-filing program which allows taxpayers to transmit returns through on-line intermediaries.
Wall Street Journal. February 22, 1995

Earning enough just to pay your taxes takes longer than ever. The average American will have to work two hours and 46 minutes out of each eight-hour work day merely to pay all federal, state and local taxes this year. That is up from two hours and 38 minutes a decade ago. In 1945, it took only one hour and 59 minutes. New York and Connecticut taxpayers share the dubious honor of being the most heavily taxed. They need to work three hours and nine minutes each day to pay their taxes. Alaskan taxpayers have the lowest tax burden: two hours and 17 minutes. These figures reflect not only income taxes but also such other levies as sales, excise, property and payroll taxes.
Wall Street Journal. April 12, 1995

Paying the IRS in installments grows much more popular. Taxpayers who don't have enough money to pay their taxes in full may ask the IRS to accept payment in installments. Since the IRS streamlined the process in April 1992, many more people have signed up. The IRS approved 2.6 million installment agreements for individuals in fiscal

1994, more than double the 1.1 million pacts in 1991, says a report by the General Accounting Office. The amount of taxes being paid under new installment pacts has soared to $9.4 billion from $4 billion in 1991, the GAO reports.
Wall Street Journal. May 3, 1995

Tougher punishment may lie ahead for snooping by IRS employees. Some senators favor much stiffer penalties against any IRS workers caught browsing through supposedly confidential tax records of celebrities, neighbors or any other taxpayers. Senator Glenn (D-Ohio) says there has been "widespread" unauthorized browsing by IRS employees in recent years. Senator Glenn wants to make this a crime punishable by up to one year in jail and a $1,000 fine. Also, any government employee convicted of this crime would be fired. Under current law, it is no crime if the browser merely reads a file and doesn't alter information or share it with someone not authorized to see it. IRS officials say they fully support the idea of imposing criminal sanctions.
Wall Street Journal. May 3, 1995

Do you have evidence that someone is cheating on taxes? Hand over that information to the IRS and you may be eligible for a reward of up to $100,000. IRS officials say this program paid off especially handsomely in the year ended September 30. Tips from the public enabled the government to collect a record $598.6 million in additional taxes. That was more than double the previous record of $258.2 million in 1986 and more than triple the 1993 total of $172.1 million. However, if you're thinking of snitching to the IRS, keep in mind that rewards are taxable income.

The Wall Street Journal. May 31, 1995
Electronic filing of income tax returns leads to fewer errors than paper returns. An IRS official says the error rate, including mistakes by both taxpayers and IRS workers, is about 17% on paper returns and only about 1% on electronically filed returns.
The Wall Street Journal. May 31, 1995

With all of the debate circulating around revising the U.S. tax system, William G. Dakin, senior tax counsel to Mobil Corp., showed up at a House Ways and Means Committee hearing with the oil company's 76 pound tax return to support efforts to scrap the current tax system. "It takes 57 man-years at a cost of $10 million to prepare Mobil's federal income tax return," said Mr. Dakin.
The Washington Times. June 7, 1995

At least 24 states have cut taxes, in addition to cutting expenses. This occurs in the financial environment of a strong economy for most states in which financial reserves are higher than any other point since 1980, according to the National Conference of State Legislatures.
The Washington Post. July 30, 1995

A small percentage of the cases pending in Tax Court account for nearly all of the money at stake. Less than 4% of the 28,000 plus cases, as of July 31, 1995, involve $1 million or more. But those cases represent about 94% of all the dollars at issue.
The Wall Street Journal. August 23, 1995

A recent survey of taxpayers suggests that tax preparation may not be that taxing. Fifty-two percent of respondents indicated that tax preparation was "Easy", 29% responded that it was "Difficult", 12% said "Neutral" and, 7% "Don't Know".
Bruskin/Goldring Research, in The USA Today. March 18, 1996

SOCIAL

Shifts in the United States continue to be toward older, longer working individuals living more in the South and the West. Younger people and men in general are entering the labor force at a slower rate and older men are continuing to work longer. People are not moving as much in the United States as they did ten years ago and, although there are more technological tools to communicate with other people, many citizens in the United States go to great lengths to protect their privacy.

Aging and Retirement

The American population may be aging, but anxieties about growing old are not increasing. Only 4 in 10 people are "very" or "somewhat" concerned. Four of the top five associations with aging are positive: wisdom (cited by 47%), more time to enjoy yourself (44%), more time to help others (28%), and closer ties to family and friends (27%). The only highly-ranked negative is poor health (42%). Women tend to dwell on negative aspects more than men, with 28% (vs. 22% of men) associating aging with being alone.
Roper Reports. September 1994

KPMG Peat Marwick finds that 91% of employers with 200 or more workers offer some kind of retirement plan, up from 89% in a 1994 survey. In addition, 56% of employers with such plans offer two different types. Defined contribution plans such as the 401(k) remain the most popular, but the survey also finds an increase in traditional defined benefit pension plans.
The Wall Street Journal. June 13, 1995

A General Accounting Office study showed that 57% of all long-term health care goes to those age 65 and over. A little surprising though is that 40% goes to those age 19-64 and only 3% to those under the age of 19.
The USA Today. July 27, 1995

Baby-Boomers counting on big bequests from Mom and Dad to pay for their kids' college education or their own retirement may be in for a shock. A growing share of older Americans' resources are available only for as long as they live. Among people age 65 and over, the share of wealth in forms that can't be bequeathed rose from 23% in 1960 to 51% in 1990 for men, and from 13% to 54% for women. That increase represents more than the immediate-pay annuities often purchased by retirees with their savings. It also includes social security benefits, pensions and even medicare, which are available only during the lifetime of beneficiaries and perhaps their spouses.
Kiplinger's Personal Finance Magazine. December 1995

Child Care

Time off for employees to attend their children's school activities gains ground. Many firms are now allowing employees take eight paid hours off every school year for parent-teacher meetings, recitals and plays. At least 12 states passed employee-leave laws and another six, including Michigan, Kansas and Maryland, are considering it.
Wall Street Journal. March 7, 1995

American teenagers are exposed to a lot of violence, and it's not limited to those who live in big cities. Seventy-three percent of students aged 12 to 17 say violence and crime is a major problem confronting teenagers, found a November survey by Roper Starch Worldwide. The proportion who say it is serious in their own school is substantially lower, at 31%; an even smaller share, 18% say violence is a serious problem in their own neighborhood. About 500 teenagers were polled; 31% live in big cities, 35% reside in small cities, and 34% live in suburbs and rural areas. Teens who live in small cities, suburbs or rural areas are less likely than those in big cities to feel that teen violence is serious in their neighborhood, but equally likely to believe it is a problem at their school. The percentage of students who say they carry a weapon, like a knife or gun, to school is almost twice as high in small cities as in large cities - 17% compared with 9% for large cities. Seventeen percent of those surveyed either want to change schools or are considering it, and 7% have stayed home or skipped classes because they fear violence. Fifty-eight percent of all teens say their schools have taken antiviolence measures.
Wall Street Journal. March 10, 1995

In 1993, the U.S. had 10 million children under age five who needed care while their mothers worked, according to a Census Bureau survey. Most parents must pay for child care. The average weekly cost per preschooler was $79 in 1993, up from $64 in 1986.
Wall Street Journal. May 5, 1995

Demographics

The number of persons living in poverty increased by 39.3 million in 1993. This is 6.9 million more than in 1989, the most recent business cycle peak. The poverty rate, 15.1%, did not increase significantly between 1992 and 1993, but was 2.0% greater than in 1989. Median household income declined 1.0% from 1992 to 1993, after adjustment for inflation. The 1993 median income of households was $31,241 -- $2,344 less than in 1989. Per capita income increased in 1993, although it was still below its 1989 level.
Monthly Labor Review. January 1995.

Middle-aged people are the fastest growing population group, while young adults are on the decline. The U.S. population grew less than 5% between 1990 and 1994, according to the Census Bureau. The population aged 45 to 64 grew 10%, compared with about 7% for those aged 65 and older and those aged 5 to 17. The number of kids under age 5 grew 5%, there was a 3% rise in those aged 25 to 44, and the number of people aged 18 to 24 declined 6%.
Wall Street Journal. March 10, 1995

In the 1980's, labor force participation rates for older men leveled off for the first time on record, suggesting an end to the long-term trend toward earlier retirement. Employers began turning to older workers as a solution to growing labor shortages associated with a long economic expansion and a shrinking pool of young workers. With the onset of a recession in 1990, however, concerns about labor shortages quickly disappeared, and older persons were increasingly seen as a prime target for cost cutting through early retirement buy-outs, as well as layoffs. Growing numbers of older workers experienced labor market difficulties such as displacement and unemployment. In addition, other work force changes, including escalating health costs, changes in the nature of private pensions, and the continued shift in the types of jobs in the U.S. economy, affected both older and younger workers. Despite essentially flat labor force participation rates for men aged 50 years and older during the past decade, early pensioners returned to work at increasing rates from 1984 to 1993.
Monthly Labor Review. April 1995

The five metropolitan areas expected to gain the most people between 1995 and 2005 are also the top five for projected employment gains. Washington, D.C. takes first place in employment growth, while Houston, TX takes first in absolute population growth. Rounding out the top five are: Atlanta, GA; San Diego, CA; and Phoenix-Mesa, AZ. It is also interesting to note that Texas has now surpassed New York as the second largest state in the country by population (California is still the largest) and that the top five counties with the highest percentage of one-person households in 1990 were: New York, NY (49%); Alexandria, VA and Washington, DC (42%); Denver, CO (40%) and San Francisco, CA (39%).
American Demographics. April 1995

Why are so many men dropping out of the labor force? Men's labor force participation rates have been falling steadily for decades, even among men of prime working age. Some 1.1 million more prime-age male workers are out of the labor force compared with five years ago. Adding those workers back in would push the real unemployment rate up an additional 1%. The most important reason for the decline in the labor force participation rate of prime-age and mostly married men may be the rise in women's work rates. As more wives go to work, more husbands can go back to school or even stay home with the kids. In 1993, 325,000 men aged 25 to 54 were not in the labor force because they were keeping house, up 26 percent since 1990. Meanwhile, the number of their admittedly more numerous female counterparts declined 5 percent.
American Demographics. May 1995

There are 99 million households in the U.S., and about 35 million of them aren't listed in the white pages. Six million are unlisted because they don't have phones. About 15 million are recent movers. The others are avoiding criminals, ex-spouses, the police, or marketers. Unlisted rates are lowest in areas with a lot of elderly residents, second homes, and college students. Unlisted rates are higher in metros where a lot of residents have arrived in the last year. Unlisted rates rise with poverty and decrease with affluence.
American Demographics. June 1995

Resulting perhaps in part from growing knowledge and personal impact, tolerance towards AIDS sufferers continues to increase. More Americans than four years ago are now willing to shake hands with an AIDS sufferer (78%, up 6 points), work alongside them (63%, up 1 point), help care for them (43%, up 2 points), kiss them on the cheek (41%, up 5 points), and eat in a restaurant where a kitchen worker suffers from the disease (33%, up 1 point). The only decrease was among those willing to send their children to school alongside a child with AIDS (55%, down 4 points). Meanwhile, 69% (unchanged since 1990) agree that AIDS patients are deserving of care, compassion and happiness. Only 7% disagree with this statement based on a feeling that the sufferers brought the disease upon themselves through their lifestyle choices, down from 13% in 1987.
Roper Reports. July 1994

A record 5.1 million Americans were either behind bars or on probation or parole at the end of last year, as prisons and jails overflow and the use of supervision in the community rises, according to the Justice Department. The number under some kind of correctional supervision amounted to almost 2.7% of the nation's adult population. Since 1980, the number of people in prison or jail or on probation or parole has almost tripled, growing at an average rate of 7.6% a year and at an actual rate of 3.9% in 1994.
The USA Today. August 27, 1995

Foreign-born residents made up 8.7% of the U.S. population, according to a Census report issued in August, 1995. That represents the highest share since World War II. Nearly 1 in 11 people (22.6 million) were foreign born. Up from 7.9% in 1990 and nearly double the 1970 level. Also: one-fifth of all immigrants, or 4.5 million people, arrived in the last five years, and one-third live in California. Mexico supplies the most immigrants, 6.2 million and immigrants of Hispanic origin make up 46% of the immigrant population.
The USA Today. August 28, 1995

According to the U.S. Census Bureau, Alaska leads the country with the youngest residents. Only 4.4% of people aged 65 and over live in the Alaska. Rounding out the top five: Utah only has 8.9% that are aged 65 and older, Colorado 10%, Georgia 10.1%, and Texas 10.2%.
The USA Today. November 8, 1995

Recent studies show that more people are completing college. During 1990 and 1991, 1.09 million people received bachelor's degrees. In 1995 and 1996, 1.2 million are expected to receive bachelor's degrees. Older women and more part-time students are fueling the growth.
National Center for Education Statistics, in The USA Today. June 10, 1996

Marriage and Family

One in four American parents is involved in something from local schools to national politics. These "parenting leaders" are the 23% of those with children under age 12 who participate in at least 2 of 11 activities - such as writing letters to the editor, making speeches and holding or running for public office - in a study by Roper Starch Worldwide for Parenting magazine. They are concerned about things that directly affect their children, such as education, their communities and the nation. They are also consumer trendsetters. Parenting leaders average 36 years of age, tend to be better educated - 36% are college graduates vs. 21% of all parents, household income for leaders averages $44,000 compared with $36,000 for parents in general. Additionally, 67% of parenting leaders attended public town and school meetings in the past year vs. 14% of other parents and 42% wrote to Congress, compared with 12% of nonleaders.
Wall Street Journal. May 5, 1995

TECHNOLOGICAL

Technology speeds ahead and becomes easier and more complex at the same time. As millions become more computer literate and increase their level of understanding of the uses of computers, phones, FAXES, ATMs, etc., millions more fall further behind in their access and understanding of technology. The aged, the disadvantaged, the isolated -- citizens most in need of government interaction -- are less connected to technology than ever before.

Profiling the Retail Automotive Market Segment

by Ken Beier[1]

In 1994, the Service embarked on a new approach to tax compliance research. The National Office Research and Analysis (NORA) Branch within Compliance Research and its 31 District Office Research and Analysis (DORA) affiliates are primarily concerned with exploring the common characteristics of groups of taxpayers. This approach will enable the Service to move beyond its traditional compliance activities that have typically worked one-on-one with taxpayers. NORA/DORA operations can be thought of as the "wholesale" approach to tax compliance research. As their initial project, each DORA was directed to profile the automotive retail industries in their respective areas. This served as a follow-up to a study of Schedule C, corporation, and partnership returns from the California automotive industry. This article describes the DORA profiles and compares them to the results of the California Study. The DORA profiles tend to confirm the California findings. For example, Schedule C new car dealers displayed such questionable characteristics as having very low sales (often below $25,000) and no "cost of goods sold" (e.g., purchasing and freight charges)—a seemingly unusual circumstance for someone selling automobiles!

Introduction

Following a thorough review of tax compliance trends and IRS compliance research activities, The Compliance Research Information System (CRIS) task force recommended a network of District Offices of Research and Analysis (DORA)[2]

Shortly thereafter, the DORA sites were established along with a corresponding reorganization to the National Office Compliance Research function. As one of the initial work products, all DORAs were required to profile the retail automotive industry in their district(s)[3].

The automotive area was selected in light of findings by the Market Segment Task Force. This IRS group conducted a study of the California retail automotive industry (hereafter referred to as the California Study). The draft report on its findings describes unusual return characteristics for certain retail automotive businesses--new car dealers, in particular. Retail businesses are an appropriate segment for IRS compliance attention. The Voluntary Compliance Level (VCL)[4] for retail sole proprietorships was 67.8 percent in tax year 1988. This contrasts with a VCL of 79.8 percent for all sole proprietorship returns and 92.7 percent for individuals overall.

The objectives of the district-level profiles were to provide DORAs with a training experience in profiling a taxpayer segment and to recommend further research and action as appropriate. In order to accomplish these objectives, each DORA analyzed calendar years 1992 and 1993 master file[5] items for sole proprietor (Schedule C), corporation, and partnership returns for retail automotive businesses in their respective geographic areas. This article discusses the DORA profile findings, conclusions, and recommendations. The DORA profiles are organized here by Schedule C and corporation and partnership return features. This article also contains sections that compare the DORA results with those of the California Study and discuss plans for additional research into the automotive segments. The final section of this article offers a reflection on the DORA profiles and considers the future of NORA and DORA roles.

DORA Retail Automotive Profiles

Schedule C New Car Dealers

Though the retail automotive industry comprises various business concerns (e.g., boat sales, gas stations, and parts and accessory sales), the atypical Schedule C characteristics were predominately found among new car dealers. Namely, new car dealers often showed low gross receipts (usually the low sales criterion used by the DORAs was under $25,000), no cost of goods sold, a high ratio of wages to total positive income (90 to 100 percent in some districts), and no deductions for business expenses. Given new car prices, it is difficult to imagine many new car dealerships with sales below $25,000. "Cost of goods sold" includes expenses such as purchasing and freight costs that dealers pay to procure their new car inventories. Unless automobiles magically appear on car lots, no recorded cost of goods sold is certainly a suspicious characteristic. Very high wages relative to other sources of income and low or no business expenses are also dubious return characteristics.

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From these observations, many of the DORAs concluded that the pattern of atypical Schedules C points to potential noncompliance. They offered several explanations for the unusual return characteristics. For example, employees erroneously paid as contractors may show low business costs. Salespeople filing Schedules C for the purpose of deducting expenses may result in lower business expenses for the true owners (or true Schedules C) of new car dealerships. Alternatively, legitimate contractors working at dealerships would also dampen sales and business expenses listed on the Secludes Cs of dealership owners.

One recommendation for further research into this area was to review an in-depth sample of Schedule C new car dealers. This analysis would be more intensive than the profile—for example, the Schedules C would be matched with information documents. Other DORAs recommended dropping the whole Schedule C new car sales issue. In their view, the expected yield from examination of new car dealers is too low to bother with. However, one DORA argued that the Service should not jump to this conclusion. Rather, examinations or audits of various Schedule C businesses should be used to determine whether or not new car dealers are worth pursuing.

Schedule C—Financial Status

Most of the profiles identify potential "financial status" issues in the market segment. Financial status uses tax return and other information on taxpayers to assess the veracity of a tax return or a group of tax returns. A financial status analysis compares sources (e.g., wages, Schedule C gross receipts) and applications (e.g., estimated personal living expenses and Schedule C business expenses) of funds. If the applications of funds exceed the sources of funds, then the reliability of a return may be in question. Financial status issues were identified by analyzing financial status indicators, such as: interest and dividends as a percent of total income; comparisons of net income to expected living expenses; and the ratio of applications of income to sources of income. Looking at the retail auto industry as a whole, the St. Louis DORA found that applications of income exceeded sources of income for 11 percent of Schedule C taxpayers. And the San Francisco DORA found that forty percent of Schedule C filers did not show enough income to cover actual living expenses.

Most DORAs concluded that one or all of the automotive subsegments have a problem from the perspective of financial status. However, one of the limitations of this approach is that an individual's return may look questionable from a financial status perspective, but accurately reflect the taxpayer's circumstances. For example, a return may reflect business losses or higher medical deductions that are not funded out of current year income. Multiyear data may provide a better basis for establishing the veracity of a tax return. That is why the Atlanta DORA recommended the use of multiyear data to identify taxpayers with financial status concerns.

Schedule C—Paid Preparers

Also included in the DORA profiles were analyses of retail automotive Schedules C that used paid preparers. For instance, the Los Angeles DORA discovered that Schedule C returns by paid preparers generally showed more profits and higher taxes than those without preparers—gas stations being the notable exception to this finding, where the inverse was true. Based on its findings, the Los Angeles DORA concluded that the presence of paid preparers has a significant correlation to whether the return reflects a profitable or a losing business. However, it is unknown whether this is a causal relationship.

The Denver DORA discovered that some preparer identification (ID) numbers were actually taxpayer SSNs. Based on the profiles, it appears that some taxpayers are entering their own SSNs in the preparer ID field. Depending on the degree of this occurrence, the Service may not have accurate information about the number of returns truly submitted by paid preparers. Consequently, the Denver DORA advised an investigation of the use of primary taxpayer SSNs instead of tax preparer ID, to determine if the error of taxpayers entering their own SSNs in preparer fields occurs on any sizable scale. It also recommended that tax preparer TINs be transcribed on business returns.

Corporations and Partnerships

One key finding or irregularity among corporations and partnerships was low officers' compensation. For example, the Brooklyn DORA profile found that approximately 57 percent of the corporations and partnerships in the retail automotive market segment reported officers' compensation in amounts less than $20,000. Even more unusual, 25 percent of the corporations and partnerships reported no deductions for officers' compensation in the Brooklyn DORA area. In another irregu-

larity, the Boston DORA found that 92 percent of their retail automotive partnerships had nonzero receipts (i.e., sales were made). This observation, in-and-of itself, is not so unusual. However, Boston also found that 42 percent of the partnerships they profiled had zero assets. In a similar vein, 15 percent of corporate motor vehicle dealers in the Greensboro DORA areas had no ending inventories—a circumstance not expected for motor vehicle dealers.

Findings related to profits were another focal point of the corporation and partnership profiles. To illustrate, the Los Angeles DORA found that 47 percent of retail automotive corporations were profitable. However, the percentage profitable dropped to 32 percent after net operating losses (NOL)[6] were deducted. With NOL deductions, firms generating profits for a particular year can reduce or even eliminate their tax liabilities on these profits due to losses from other years. Overall, net profits tended to be low for automotive corporations and partnerships. The St. Paul DORA, for example, was surprised to find that 70 percent of their profiled corporation returns were unprofitable and therefore incurred no tax liabilities.

With few exceptions, the DORAs found it difficult to reach conclusions or offer possible explanations for the corporation and partnership findings based on the reported return information alone. However, the Dallas DORA did speculate on one possible contributing cause to the low or zero officers' compensation finding. According to their theory, some corporations may be paying officers, who generally own company stock, with dividends or other types of payments in lieu of salaries. An illegitimate payment scheme such as this would reduce the company's reported officers compensation amounts and also reduce their employment tax obligations.

DORAs made a wide range of recommendations in the corporation and partnership area. The Los Angeles DORA recommended analysis of the relationship between economic conditions and NOL. It also recommended an investigation of the reasons or sources generating the losses incurred by flow-through entities and the extent to which the losses are used to offset other earned income. Flow-through entities are corporations or partnerships whose profit or loss is passed through to another entity. All s-corporations are flow-through entities, that is, its profit or loss is passed through to the individual shareholders and taxed as part of the shareholder's income.

The Jacksonville DORA recommended investigation of possible avoidance of employment tax by S corporations. And several DORAs recommended a comparison of financial ratios (e.g., net profit, turnover, equity, tax rates) with external data sources such as Dun & Bradstreet.

Comparison with California Results

Table 1 presents a comparison of the DORA profile findings to those of the California Study. Specifically, the percent consistent is the proportion of the DORA profile findings that confirmed the California Study results. As the table shows, strong consistencies are shown for Schedule C new car dealers. For example, 96 percent of the DORA findings match the California results of low sales for new car dealers. Despite low sales, all DORAs (100 percent) agreed with the California finding that new car dealers are nonetheless profitable (i.e., high median net profit percentage). There was 94 percent consistency for gross profit percentages (GPP) equal to 100 for many new car dealerships. Gross profit is calculated by subtracting cost of goods sold from net receipts. Hence, a GPP equal to 100 results from zero cost of goods sold—a DORA finding discussed earlier.

Looking at retail automotive corporations and partnerships, many of the DORAs matched the California finding that corporations, particularly S corporations, have higher sales than partnerships did. As discussed in the "Corporations and Partnerships" section, many Forms 1120 and 1065 were not profitable. Looking at Table 1, we see that 73 percent of the DORAs confirmed California's result of near zero median (typical) net profit percentages for retail automotive corporations and partnerships.

Future Research Efforts

NORA/DORA research plans call for follow-up research on the automotive market segment. These plans look to study causes and issues associated with, and test treatments directed toward, the following factors:

- tax treatment of automotive manufacturers incentives (payments to car salespeople),
- reporting and payment compliance of used car dealers, and
- classification of auto salespersons as employees or independent contractors.

Several other new projects in the research plan address issues that were raised in the DORA automotive profiles, but are not restricted to the automotive area. These include:

- issues associated with unallowable expenses claimed by Schedule C filers, and
- issues associated with "no cost of goods sold" reported on business returns.

Given the fact that most DORA staff members are new to the research process, the automotive reports represent a significant milestone in their taking responsibility for compliance research in their districts. Some feedback from the DORAs was received that district-level customers, i.e., functional managers, should and will be more involved in planning and reviewing DORA work. This is an excellent point to keep in mind. DORAs are not conducting research for research's sake. They are undertaking research to help us understand how to improve taxpayer compliance. And this research must be understandable and usable to those on the front lines of the tax system.

In addition, with the automotive profiles, we have used the 31 reports to piece together a national level picture of the automotive industry. In the future, national level issues can be handled through analysis of national-level data

Endnotes

1 The author thanks the following for their substantial contributions to reviewing the DORA retail automotive profiles, summarizing their findings, and commenting on this paper: Marshall Epstein, Carolyn Morton, and Carol Sattler, NORA Branch, National Office Research Division, Nichole Kamman, Office of Compliance Planning and Finance, National Office Research Division, and Kathy Wheeler, Greensboro DORA.

2 For further background on compliance trends and the recommendations of the CRIS task force, see The Future of Compliance Research and Planning in the IRS: The Final Report of the CRIS Task Force (October, 1993).

3 Profiling begins with the identification of a group of taxpayers with similar characteristics that are relevant to tax administration. A complete profile includes tax reporting characteristics, tax compliance characteristics, demographic characteristics, and an explanation of the cause of noncompliance shared by the segment's members. Profiling is a necessary first step in the research process, which will be followed by identification of initiatives to treat compliance problems and tests of the effectiveness of these initiatives.

4 The Voluntary Compliance Level is defined as the ratio of total tax reported to the sum of total tax reported on returns and tax increases determined upon examination.

5 The individual master file (IMF) and the business master file (BMF) were the primary sources of data for the working files. These files are the repository for tax account-related data.

6 A net operating loss (NOL) incurred by a corporation in one tax year may be used to reduce the corporation's taxable income in another year. Generally, a corporation may carry an NOL back to each of the three years preceding the year of the loss and then carry any remaining amount over to each of the 15 years following the year of the loss. However, the NOL deduction cannot exceed the corporation's taxable income, after special deductions.

Characteristics of Individuals Income Tax NonFilers

by Chih-Chin Ho

Most research on tax compliance has involved analysis of underreporting by filers of tax returns. Less is known about those individuals who do not file tax returns at all—sometimes referred to as "ghosts" by academics and policy makers. As this name suggests, the identities and characteristics of these individuals have been shrouded in mystery and have, therefore, been the subject of analysis. Traditional IRS studies of nonfilers have been based on delinquent individual returns located and secured by IRS revenue officers as part of the Taxpayer Compliance Measurement Program (TCMP). However, the characteristics of identified nonfilers who were not located have remained elusive. This article attempts to change the focus of nonfiler research by estimating the attributes of both located and unlocated nonfilers. Using a regression technique, factors such as the presence of information documents, prior filings of individual returns, and age are investigated for their effects on the likelihood of locating a nonfiler. These estimated probabilities, in turn, are used to adjust the sample weights attached to located nonfilers so that characteristics of all nonfilers can be assessed. Based on this method, I estimate three sets of characteristics pertaining to the entire nonfiler population: average income for various sources, average itemized deductions, and occupations. Wage income is the largest income source and business income constitutes a relatively large share of total income in comparison to other non-wage income sources. Only 10 percent of nonfilers could have benefited from itemization of deductions and nearly a half of the itemizable deductions came from home mortgage interest payments. The findings also indicate a high proportion of manual labor and service occupations for nonfilers. Notably, the regression technique estimates that 8.4 million taxpayers who were required by law to file tax returns for 1988 did not do so. This is about 3.4 million more returns than would be reported under the traditional measurement approach that does not adjust for nonfiler cases closed as unlocatable.

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Introduction

This is an article about nonfilers—defined as individuals who fail to comply with their income tax filing requirements. It presents estimates of selected nonfiler characteristics, including average income for various sources, average amount of itemized deductions, and employment frequencies across various occupations.

The paper is organized in three parts. Section 1 illustrates the TCMP data employed in the analysis. Section 2 presents the statistical method used to account for unlocated nonfilers and discusses the econometric estimates of the probability of locating potential nonfilers. In addition, it outlines the procedure to adjust the TCMP sample weights, based on estimated probabilities, so that we can draw inferences about the nonfiler population. Section 3 presents the estimates.

1. Data Structure

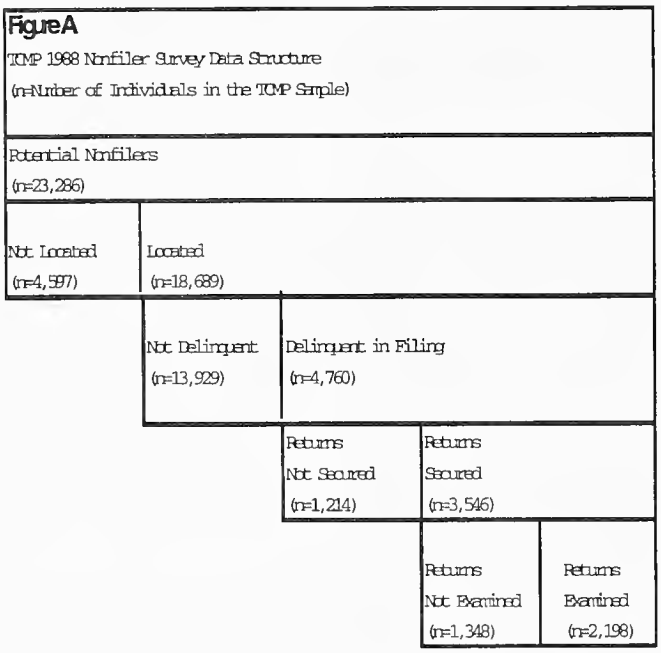
Through an intensive match of Social Security, tax, and information return (IRP) documents, IRS was able to identify a population of 88 million "potential nonfiler leads" - individuals who did not timely file an income tax return for tax year (TY) 1988[1]. From this population, a sample of 23,286 nonfiler cases was drawn for this TCMP project (technically referred to as Phase IX, Cycle 2). IRS employees then investigated the sample leads. The results of the investigations constitute the main data source for this study.

The TCMP project had two components: a Collection-based segment to locate each potential nonfiler in the sample and to secure the delinquent returns that should have been filed; and a subsequent Examination-based segment to determine the accuracy of a sample of those secured delinquent returns.

In the Collection segment, revenue officers attempted to locate each of the 23,286 sample nonfilers. For each individual who was located, revenue officers used information documents, past filing records, and information supplied by the individual to determine whether a return should have been filed, to estimate the amount of tax li-

ability and, if possible, to secure a tax return if a non-filing violation had occurred; checksheets were completed at the conclusion of the investigations. Out of 23,286 potential nonfiler cases, the eventual Examination segment involved a sample of 2,198 returns.

Figure A illustrates how the TCMP study produced the sample of 2,198 taxpayers whose secured returns have been used to estimate the characteristics of delinquent nonfilers. Of the 23,286 potential nonfilers, revenue officers were able to locate 18,689 of these individuals. Of the 18,689, only 4,760 were found to be delinquent (the remaining 13,929 were not required to file an individual return for 1988). From the 4,760 delinquent individuals, 3,546 returns were secured by revenue officers. IRS examiners intensively audited 2,198 of the 3,546 secured delinquent returns.



2. Accounting For Unlocated NonFilers

Proportion of Delinquency for Unlocated Nonfilers

The proportion of unlocated nonfilers who were delinquent (required to file a return) cannot be directly seen from the TCMP data. One simple assumption would be that this unknown proportion is the same as the overall proportion of delinquency observed for all located nonfilers. Under this assumption, a uniform probability of being located is applied across all potential nonfilers - that is, all nonfilers are considered equally difficult to find regardless of their characteristics evident before the effort of locating them was undertaken. In practice, however, it would seem more reasonable to allow for the possibility that some delinquent nonfilers are more difficult to locate than others. For example, those with no previously filed tax returns or those with no income subject to information reporting may be relatively hard to find.

To account for this possibility, I have estimated a regression model for the probability that an individual with particular observed characteristics would be located, based on the data available before the investigations for all potential nonfilers. The results of this analysis were then used to calculate, for each of the located nonfilers, the ex-ante probability that an individual would be located. In essence, my model-based adjustment approach is to assess the probability of being located for all potential nonfilers before the search process beings. Based on the probability of being located, the sample weights of those located and delinquent nonfilers are adjusted to make them representative of all delinquent nonfilers in the sample, both located and unlocated.

Probit Model of Probability of Being Located

The model-based assessment of the probability of being located involves probit regression estimation of whether the potential nonfiler population was located as a function of observed characteristics. The explanatory variables, that were thought to influence the likelihood of locating a nonfiler, include filings of tax returns prior to 1988, the presence of information documents, age, and marital status. For example, the presence of a prior tax return is used for identifying the current or previous

address of the individual. In particular, filings of 1987 tax returns are distinguished from earlier returns because they contain comparatively up-to-date information. Similarly, information documents include facts about the individual's address, place of work, or financial accounts, and therefore enhance the probability of locating a nonfiler. Age variables are included to account for the possibility that older people are more firmly established in their communities and hence easier to locate. Additionally, because information about an individual's spouse can facilitate a search process, married nonfilers are more likely to be located than single nonfilers.

The probit regression results[2] were all consistent with prior expectations. The presence of previous tax returns and information returns were positively correlated with locating a potential nonfiler. Spouse and age 65 and older variables also had positive coefficients. Conversely, age 18 and younger or having no age information were negatively related to finding potential nonfilers— results that also corresponded to expectations.

Once the regression analysis was complete, I transformed the coefficients into the probabilities of locating nonfilers with particular combinations of characteristics. Based on the cumulative standard normal distribution, the regression model-predicted value of the binary outcome of being located (the dependent variable) for each potential nonfiler translates into the probability exclusively between 0 and 1. The lower probability (< 0.5) indicates the individuals with the referenced characteristics are relatively hard to find; while higher probability (> 0.5) reflects those individuals are relatively easy to find[3].

Probability-Based Sample Weight Adjustment

After estimating the various likelihoods of locating a potential nonfiler, the next step was to adjust the original sample weight of the Examination-based TCMP data (which determined the accuracy of the information reported on the secured delinquent returns). This was done to reflect the results of the probit equation so that we could profile the entire nonfiler population, both located and unlocated. Using the results discussed in the previous section, we made a series of adjustments to the original sample weights of the 2,198 examined secured returns. These adjustments make this sample representative of all delinquent returns, whether located or unlocated, secured or unsecured, examined or unexamined.

The original Collection-based sample weight (WTC) for each of 4,760 located delinquent nonfilers was also multiplied by the inverse of the probit model estimated probability of being located to account for additional unlocated delinquent nonfilers. The sum of these probability-based weights (WT1) for the 4,760 located delinquent nonfilers is the estimate of the number of delinquent nonfiler individuals in the population.

Since the original sample of potential nonfilers is a sample of individuals, an additional step is required to ensure that the new weights reflect married joint nonfilers. To do this I divide the sample weights for the secured delinquent returns of married joint nonfilers by 2.0. All else being equal, a delinquent married couple's return has approximately twice the chance of being included in our sample as a delinquent single individual's return. If either member of a couple were included in the located potential nonfilers, their joint return would be included in the resulting sample of delinquent returns. Now since these filing-status adjusted weights (WT2) account for both joint and single returns, they represent the estimate of the number of tax returns owed by the delinquent nonfiler individuals in the population.

The final step was to apply these filing-status adjusted weights to the Examination component of TCMP so that they sum to the same total as do the WT2 weight sum for the 4,760 located delinquent nonfilers. When I sum the final weights (WT3) with such the adjustment described above for the 2,198 examined secured returns, I arrive at 8.4 million. This number is my estimate of the total number of delinquent 1988 tax returns. This compares to a prior TCMP estimate of about 5 million TY 1988 individual nonfilers—an estimate that was not adjusted to account for the pool of cases that were closed as unlocatable[4].

3. Selected Characteristics

In this section we present estimates of three types of nonfiler characteristics: income sources, itemized deductions, and occupations. These characteristics are estimated by straightforward weighted (WT3) summation of the examiner-determined values on the 2,198 examined secured delinquent returns in the TCMP sample.

Income Sources

Table 1 presents the average amount and share of total income for various income sources. The largest source is wage income, accounting for over 60 percent of total income. For non-wage income sources, business income and capital gains make up over 30 percent of total income. Form 4797 income (used to report gain or loss from sales of business properties, exchanges, or involuntary conversions of net capital assets), supplemental income and other income all result in net losses.

Table 1
Average Amount and Share of Total Income
Across Income Sources
TY 1988 Income Tax Nonfilers

Source	Amount (dollars)	Share (percent)
Wage Income	$10,204	62.31%
Interest Income	743	4.54
Dividends	100	0.61
Pension Income	480	2.93
State Income Tax Refunds	29	0.17
Alimony Income	47	0.29
Taxable Social Security	27	0.16
Unemployment Compensation	95	0.58
Business Income	3,279	20.02
Farm Income	98	0.60
Capital Gains	1,906	11.64
Form 4797 Income	-12	-0.07
Supplemental Income	-52	-0.32
Other Income	-567	-3.46
Total Income	16,377	100.00

Itemized Deductions

Table 2 presents the average amount and share of total deductions across all deduction items for those nonfilers who would have benefited from itemization of deductions if they had filed. Only 10 percent of nonfilers are in this category.

The findings indicate approximately a half of the itemizable deductions came from home mortgage interest payments and nearly a quarter from combined tax payments . Deductions related to home ownership (including home mortgage interest and real estate taxes) account for 57 percent, while both medical expenses and charitable contributions account for about six percent of total deductions, respectively.

Table 2
Average Amount and Share of Total
Itemized Deductions
TY 1988 Income Tax Nonfilers

Deduction Item	Amount ($ dollar	Share (percent)
Medical Expenses	$731	5.39%
State and Local Taxes	1,880	13.87
Real Estate Taxes	1,214	8.95
Other Taxes	108	0.80
Home Mortgage Interest	6,483	47.82
Investment Interest	151	1.11
Net Personal Interest	781	5.76
Charitable Contributions	885	6.53
Net Job Expenses and Limited Deductions	592	4.37
All Other Deductions	732	5.40
Total Deductions	13,557	100.00

Occupations

Table 3 presents the percentages of nonfilers employed in various occupational categories. Manual labors represent the largest group, accounting for 24 percent, while service workers and sale persons make up 13 percent and 11 percent of all occupations, respectively. Professional positions (including doctors, scientists, and teachers) and administrative positions (including managers and administrators) have relatively smaller shares, representing five and six percent of total positions, respectively.

Table 3
Employment Frequency Distributions
Across Occupational Categories
TY 1988 Income Tax Nonfilers
(percent)

Administrators/Managers	5.90%
Engineers/Scientists	2.30
Doctors/Dentists	0.10
Teachers/Educators/Writers	2.50
Administrative Assistants	3.90
Engineering Technicians	2.00
Health Care Technicians	1.50
Service Workers	13.30
Agricultural Workers	1.70
Mechanical Workers	2.60
Construction Workers	5.30
Production Workers	3.00
Sales Persons	11.20
Manual Laborers	23.80
All Other Occupations	20.90
All Occupations	100.00

4. Conclusions

This article presented a statistical method to account for unlocatable nonfilers based on the information observed for located nonfilers. In the first stage of the method, a probit regression analysis was performed to estimate an equation which predicts the probability of locating any individual in the sample of nonfiler leads, as a function of characteristics known for all leads. These probabilities were then used to adjust the weights of located nonfilers such that located nonfilers can be used to represent the entire nonfiler population—locatable and unlocatable alike. Based on this probability-based weight adjustment technique, we estimated that there were 8.4 million individuals and couples who did not file required income tax returns for 1988.

We investigated three types of nonfiler characteristics after adjusting for the estimated outcomes of unlocatable nonfilers: sources of income, itemized deductions, and occupations. The findings indicate that wage income is the largest income source and business income constitutes a relatively large share of total income in comparison to other non-wage income sources. This finding reflects the fact the nonfiler population includes a significant share of self-employed individuals.

Only 10 percent of nonfilers could have benefited from itemization of deductions (as opposed to about 30 percent in timely filed returns), which may indicate a lower degree of tax planning on the part of nonfilers. Individuals not planning to file returns might avail themselves of fewer legal avoidance opportunities through itemization.

Finally, it is commonly believed that individuals with substantial "off the books" income are represented in manual labor and personal service occupations. From this perspective, the relative high proportion of manual labor and service occupations for nonfilers is consistent with the notion that individuals from these occupations may be relatively more inclined to become nonfilers due to the nature of the income that they receive.

Endnotes

[1] Earlier TCMP studies reported approximately 100 million weighted potential nonfiler leads. The lower 88 million figure accounted here is based on a refined estimate of potential nonfilers. Specifically, this study excludes 700 cases (representing 12 million potential nonfiler leads) with invalid social security numbers. As a result, this study estimates 38.1 million weighted unlocatable nonfilers--down from earlier estimates of 41 million unlocatable nonfiler based on 100 million potential leads. For more information about prior TCMP 1988 estimates, see Michael J. Graeber, Bonnie L. Nichols, and D. Arthur Sparrow. "Characteristics of Delinquent Returns." **IRS Research Bulletin** (1992): 38-46.

[2] For the specific results and coefficents of the probit regression model, see Erand, B. and Ho C. (1995), "Searching for Ghosts: Who Are the Nonfilers And How Much Tax Do They Owe?" Unpublished paper presented at the Allied Social Science Associations Meeting, Washington, D.C.; at the University of Michigan Tax Research Symposium, Ann Arbor, Michigan; and at the IRS Quantitative Analysis Symposium, San Jose, California.

[3] For more detailed, see Federal Tax Compliance Research: Individual Income Tax Gap Estimates for 1995, 1988, and 1992, IRS Publication 1415 (1996): 29-30.

[4] See Michael J. Graeber et al., as referenced in Endnote 1.

Profile of Taxpayers With Recurring Tax Delinquencies: Repeaters Vs Non-Repeaters

by Ivette Y Alamo-Tirado and Ralph Collinson

Taxpayers who repeatedly fail to file their tax return and/or pay their tax liability timely, make up a significant portion of the Service's workload. Repeaters contribute to the tax gap while consuming the limited resources of the Internal Revenue Service. Efforts are needed to properly identify these taxpayers and to take appropriate action to bring them into compliance with filing and payment requirements. The objective of this profiling effort was to conduct research to baseline, profile and quantify issues associated with a part of this repeater market segment relative to individual income taxes. For example, our study of a sample of individual balance due return filers (excluding Substitute for Return cases) found a repeater rate of 37 percent. We also found that repeaters had larger average balance due amounts than non-repeaters ($3,139 vs. $1,212). In addition, only 69 percent of the repeater cases had Federal tax withheld as compared to 81 percent of nonrepeaters. Repeaters had significantly higher incidents of Powers of Attorney and name and address changes. Also, disposition time for repeater accounts averaged 21 weeks compared to 17 weeks for non-repeaters and Federal Tax Liens are filed on 10 percent of the repeater cases compared to 1 percent of the non-repeaters.

INTRODUCTION

When a tax return is not filed timely, the Service issues a series of notices (one to four notices) to the delinquent individual seeking the return or an explanation as to why the return is not due. If the notice routine is unsuccessful in resolving the delinquency, telephone contact is attempted through our Automated Collection System (ACS). If still unresolved, a Taxpayer Delinquent Investigation (TDI) is issued to an employee for personal contact with the taxpayer.

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A similar process is used for balance due accounts. These are typically situations where a tax return has been filed with the Service but part or all of the tax liability remains unpaid, or where a subsequent adjustment was made to a return (e.g., as a result of an IRS audit). Again, notice and telephone resolution is attempted and if unsuccessful, a Taxpayer Delinquent Account (TDA) is forwarded to an employee for personal contact with the taxpayer.

Both of these processes can be very lengthy and resource intensive. There is also some anecdotal evidence that the process may in fact be utilized by certain taxpayers to continually delay collection of their account. These processes are also expensive and labor intensive to the Service, and any steps that could be taken to effectively reduce the number of delinquencies would be a step in the right direction in an era of tight IRS budgets.

Congress and the Service have historically dealt with this problem by assessing penalties for late filing of tax returns and late payment of taxes. In addition, interest is charged on the unpaid balances in an effort to dissuade taxpayers from late payment. However, we recognize that a significant portion of the clientele that we are dealing with at any given time involves repeat delinquencies. The penalties and interest being charged to their accounts do not appear to be a successful deterrent to their filing or paying late. Based on that assumption, we determined that if we could better quantify and identify our repeater population, we may be able to initiate more effective ways or treatments to stem repeat delinquencies and reduce our workload.

In light of this, during FY 1995 the North Florida District Office of Research and Analysis completed a nationwide profile of the repeater and non-repeater market segments with balance due conditions. This profile only included individual income tax taxpayers from the Individual Master File (IMF). In addition, we only included voluntarily filed returns eliminating all Substitute for Return cases prepared by Service employees when a taxpayer refuses to voluntarily file a tax return.

For the purpose of this analysis, a repeater was determined to be any individual who filed a return without full payment who at the time of the first balance due notice had: (1) an open TDA or TDI; (2) an open balance due or delin-

quent return notice; (3) a TDA or TDI closed within 2 years of the first notice issuance; or (4) a delinquent return or balance due notice closed within a year of the first balance due notice issuance.

We utilized the Collection Research File IMF Balance Due First Notice database to develop a sample of 18,711 first notices issued for CY 1993[1]. This information was extracted from the master file in October 1994, about 1.3 years after the first balance due notice was issued on these cases.

TAX RETURN CHARACTERISTICS

Thirty-seven percent (37%) of the notices sampled, 6,973 of 18,711 met the repeater definition. While the total number of repeaters were substantially less than non-repeaters, the repeater cases constituted 61 percent ($21.9 million vs. $14.2 million) of the total dollars due on the first balance due notices. On average, the balance due amount is significantly greater ($3,139 vs. $1,212) on repeater cases.

Table 1
Proportion By Region

Region/Office	Cases in Sample	% of Repeaters	% of Repeaters $ To Total Cases
Central	1,710	32.87%	58.77%
Mid-Atlantic	2,213	37.78%	63.06%
International			
Midwest	1,910	32.30%	65.16%
North Atlantic	2,116	36.30%	66.35%
Southeast	3,832	37.89%	59.99%
-North Florida	615	35.00%	57.71%
Southwest	2,875	40.35%	63.12%
Western	3,953	39.79%	54.87%
Others	122	27.87%	52.14%
Totals	**18,711**	**37.27%**	**60.61%**

Forty-seven percent (47%) of the repeater cases had an open delinquency. The remaining 53 percent had a delinquency closed within 2 years from the date of the first balance due notice.

Table 2
Repeater Qualification

Repeater Category	Count	Percent
Open TDA/TDI	1,298	18.70%
Open BD/DR Notice	1,983	28.40%
Closed TDA/TDI w/2 years	2,732	39.20%
Closed BD/DR Notice w/1 year	960	13.80%
Total	6,973	100.00%

The percentage of taxpayers who reported wage income was lower on repeater cases (71% vs. 82%). The reported wage amount averaged $35,252 for repeaters compared to $35,696 for non-repeaters. The total wage income of repeaters accounted for 55 percent of their total positive income (TPI) compared to 57 percent for non-repeaters. In addition, only 69 percent of the repeater cases had Federal tax withheld as compared to 81 percent of non-repeaters.

Self employment income as measured by a Schedule C was evident on 40 percent of the repeater returns compared to 27 percent of the non-repeaters. Adjusted Gross Income (AGI) averaged $43,456 on repeaters compared to $51,646 on non-repeaters. Also, on average, repeater cases had lower TPI than non-repeaters

As shown below, the incidents of Powers of Attorney, name change and address changes were significantly higher with repeaters. We are not sure of the cause, however. For example, it could be an indication of creditor evasion patterns, or simply a fallout of divorce situations, or any number of other unknown factors.

Table 3

Indicator	Repeater	Non-Repeater
Power of Attorney	10.60%	3.20%
Name Change	22.20%	12.90%
Address Change	49.30%	28.70%

Compliance Characteristics

On average, 36 percent of the repeaters had an additional balance due of $14,176. In addition, when compared to non-repeaters, they were more likely to file late and often failed to include any remittance with their returns. Repeaters also had lower payment ratios, longer disposition time, and more penalties assessed.

Table 4

Prior Filing History	Repeater	Non-Repeater
Percent with Prior Delinquent Notice	13.60%	2.50%
Percent with Prior TDI	10.40%	0.80%

As shown above, the percentage of prior delinquent return notices and TDIs was significantly higher for repeaters than non-repeaters. Filing a return with a remittance was substantially lower on repeater cases (31% vs. 48%); however, the remittance amount averaged $2,680 for repeaters compared to $2,511 for non-repeaters.

On average, repeater cases take far longer to reach final disposition. Disposition time for repeater accounts averaged 21 weeks compared to 17 weeks for non-repeaters. The tendency to prolong final disposition by repeaters is also evidenced by the number of accounts that ultimately go to TDA status (29.7% vs. 3.4%). We also noted that 80 percent of repeater cases went from Notice to TDA (both in number of accounts and total dollars). The method of disposition for cases differs significantly between repeaters and non-repeaters as indicated in the table below:

Table 5 Dispostions

Status as of October 1994	Repeater	Non-Repeater
Full Paid	51.80%	80.10%
Deferred (Below Tolerance)	9.10%	9.20%
Currently Not Collectible	2.70%	0.30%
Installment Agreement	18.60%	7.90%
Unresolved	17.80%	2.60%

This low rate of full payment results in an increased need to file a Notice of Federal Tax Lien to protect the government's interest in the debtor's assets. Federal Tax Liens are filed on 10 percent of the repeater cases compared to 1 percent of the non-repeaters. This results in additional administrative costs to both the government and the taxpayer. Penalties are also assessed more often on repeater accounts. Eighty-six percent (86%) of the repeater cases contained assessed penalties compared to 69 percent of the non-repeaters. Assessed penalty amounts averaged $583 on repeaters compared to $179 for non-repeaters.

PAYMENT AND CREDIT CHARACTERISTICS

The rate of dollars collected, payments, credit transfers as well as the percent of dollars collected at the first balance due notice differed significantly between repeaters and non-repeaters. As of October 1994, $10.2 million (47%) of the $21.9 million owed by repeaters had been collected.

On the other hand, $9.7 million (69%) of the $14.2 million owed by non-repeaters had been collected. Also, payment and credit transactions had posted to 71 percent of the repeater cases compared to 91 percent of the non-repeaters.

CONCLUSIONS

The profile results clearly indicate that IMF Balance Due repeaters are a substantial part of the Service's workload and a significant compliance problem. Based upon these results, National Office Research and Analysis has decided to expand the repeater profiling effort. In FY 1996 the North Florida, Kentucky-Tennessee, and Pacific

Northwest DORAs are conducting a comprehensive analysis of the repeater market segment.

The profiling will be expanded to cover Business Master File (BMF) cases and taxpayers who fail to file tax returns. We expect to be able to further identify unique characteristics, baselines and issues associated with repeater noncompliance with filing and payment requirements. We plan to maintain measures and track repeaters over time. The findings from this profiling effort will be utilized to develop a research plan to address repeater noncompliance.

Endnote

[1]The Collection Research File consists of several data files which contain samples representing a cross-section of Collection cases. The sample includes both accounts receivable and delinquent return modules.

IRS on the Information Highway

by Linda Wallace

For the 1995 filing season, the Service tested a new program that enabled taxpayers to download tax forms and publications, obtain answers to tax questions, and acquire other services, electronically, from the Internet. This article describes the IRS' journey on the information highway. For example, using a variety of computer interfaces (e.g., World Wide Web and dial-in modems), taxpayers can obtain the forms they need without waiting for mail order service or trekking to the local library. As a result, IRS' Internet services have been met with widespread approval from both taxpayers and the tax-preparation community. In addition to improving customer service, Internet technology reduces production costs for the Service. As this article illustrates, making tax forms available on the Internet costs only pennies per form. This contrasts with the more expensive $3 an order it costs the Service to fulfill requests for forms through the traditional mail service.

Introduction

"Now this is a cool use of tax dollars! Excellent idea! Excellent execution! Keep up the good work!"

From the IRS Internet Mailbag

In 1995, on the last day of filing season, the Internal Revenue Service received a barrage of thank you letters. *Really!* What could possibly inspire "fan mail" such as this to the IRS? Taxpayers and tax practitioners may now get federal tax forms, instructions, publications, and information in minutes via the information highway, or the Internet. IRS use of the Internet shows that it doesn't always take millions of dollars and years of development to make a real difference. Millions of taxpayers benefited from these Internet services in the first several months of operation. Through this technology, the IRS is reducing taxpayer burden and dramatically improving our service to the public.

This article describes the 1995 filing year pilot test that enabled taxpayers to obtain IRS services and information electronically from the Internet. It includes sections on the background of the pilot test, the various interfaces available to taxpayers, the products and services available through this technology, and the enthusiastic reaction by the public. This paper also discusses the steps taken by the Service to make this technology work for it, such as benchmarking and reengineering. Finally, an epilogue summarizes the continuing success of this program during the recent 1996 filing season.

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Background

The initial move to put IRS services on the Internet grew out of two needs. First, the IRS Taxpayer Service function wanted to improve services to taxpayers living or working overseas. At the same time, the Multimedia Production Division was struggling with rising costs of generating paper returns at 30 percent and more per year.

In June, 1994, approval was granted for a pilot project to put tax forms, instructions, and publications on the Internet and on a dial-in electronic bulletin board system. A detailed analysis of the requirements needed for this project showed that FedWorld (part of the Department of Commerce's National Technical Information Service) was the best source to develop and operate these Internet Services. FedWorld provides an electronic government information center and marketplace, available to the public by Internet or through just a computer and modem. Over 200 public government electronic databases are available from FedWorld—covering diverse subject matter from government job announcements to weather satellite images.

In a joint project with Treasury Department, IRS first tested the concept of public electronic information services. Time for design and programming of this initial system was approximately two weeks and then services became available publicly. Why such a short time? IRS had already committed to building on-line public services when White House staff asked what Internet services Treasury Department could have ready by October, 1994 (the unveiling of the White House home page on the Internet). The IRS volunteered a deadline months earlier than originally planned. The initial services, available publicly in October 1994, included: all current tax forms, publications, instructions, where to file, and how to get free tax help. The test project was then ported to FedWorld early in the 1995 filing season.

How it Works

Any person with access to the Internet or a computer and modem can access IRS information. IRS provides these public services free of charge. Four different user interfaces are provided to meet the disparate needs of taxpayers, tax practitioners, and computer equipment:

1. World Wide Web- Internet interface which can provide video, audio, graphics and provides easy browsing of resources; hypertext based (using your computer mouse, you can simply click on electronic links within and between documents and even between computers).

2. File Transfer Protocol (FTP)- Internet interface used to retrieve files from other computers.

3. Telnet- Internet interface which allows remote access to another computer.

4. Dial-in- Available without Internet access, using just a computer, communications software and modem.

By keying in one of the addresses shown in Figure 1 into a computer (choosing the access the access method preferred) customers can access IRS electronic services from anywhere in the world. Users can browse through and select items of interest to download to their own computers or they may just read a few items while they are on-line.

Types of Electronic Information Services

IRS provides federal tax forms, publications, and instructions on the information highway. Over 500 forms and 90 publications are available for both the current and prior years. Beyond forms and publications, there are answers to frequently asked tax questions, information resources for persons with disabilities, sections on how to get free tax help, and where to file your tax return. In addition, a media section gives tax calendars, the Tax Supplement (media articles), and news releases for tax practitioners and news services.

Results for the Customer

Even in the first weeks of the test pilot in 1995, taxpayers accessed the new Internet services test system over 9,000 times per day. On the last day of the filing season, traffic peaked with over 60,000 accesses in a single day on the World Wide Web interface. For much of that day, the File Transfer Protocol interface was used every 1.5 seconds to provide taxpayers with tax forms and publications (most notably the Form 4868, Extension to File). These taxpayers didn't have to call to order forms and wait a week for the mail. They didn't go to the library late at night. Taxpayers located overseas used to wait a month or more to receive tax forms and publications through the international mail system. Many now choose to retrieve the tax information they need in minutes—electronically. IRS has even had customers call in from ships at sea.

Over 3 million tax forms and publications were distributed via FedWorld during the 1995 pilot filing season months. The impact, however, is even larger than this number indicates. The IRS information is downloaded and used by many professional associations, commercial tax services, tax software developers, state governments, printers, universities, and public libraries who redistribute the information to millions more. For example, Maxwell Labs downloaded our information to their central computer and then electronically redistributed 1.78 million forms. America On-Line and the National Association of Enrolled Agents also joined forces to redistribute IRS information electronically. Even in October (1995), an "off peak" month, IRS electronic services were accessed approximately 300,000 times.

The electronic information services are available 24 hours a day, every day. Handy, especially if you are doing your tax return late on Saturday night. The IRS information is updated daily, so it is sure to have current tax forms. Taxpayers like the convenience of browsing to find out just what publications are available. This electronic information service provides an additional advantage; taxpayers using this service never got busy signals and they were not put on hold. The bottom line— it's easier for taxpayers and tax practitioners to get the tax information they need. The following excerpts taken from a thick stack of IRS Internet mail illustrate these benefits:

> "It's Saturday, April 15, 1995, and I was missing my form 2441. Sure glad to find easy access to this form at the last minute, even for a novice Net user such as myself! Thanks!!"
>
> "As a "last minute" tax filer with the need to incorporate several nontypical forms, I REALLY appreciate the online tax forms. I downloaded the Postscript version of the forms I needed and within minutes had the paper forms in my hands."
>
> "You have done a great job of predicting the needs of the citizens. I can log on here to get a form for a client and on April 14th, and there is very little lag time. Good show!"

"I'd like to say that the information and forms that you provide online are a lifesaver! It's soooooooo much easier than going through the mail, and saves paper."

"Many, many thank you's for putting your tax forms on Internet. It saved me at least two hours of (last minute) running around trying to find 8829 that didn't come with my tax package."

"Fantastic!!! My library did not have the form 8283 and I got it here!!!"

"Thanks for the high tech solution to not having to fight it out at the post office! I love technology! Good luck in 1996!"

"This is one of the most useful services that you can provide! Rather than using Teletax, this enables me to browse through and find what I need. A great job and a million thanks to the people who did the job."

Results for IRS

Beyond just providing better customer service, the on-line services are less expensive than other methods of distributing tax forms and information. It costs approximately $3 per taxpayer to fill tax form orders by mail. On the Internet, customers can be served for just pennies each. Only $140,000 of the initial $200,000 project funding for the year was used. Relatively little staff time was invested as well. Analysts from Information Systems and Multimedia Production Division were able to juggle their normal duties for this project. There are also indirect benefits such as fewer errors on tax returns when people can get the information they need, when they need it.

This success has not gone unnoticed. IRS has received numerous accolades for their pilot electronic information services including the National Performance Review's Hammer Award and an award from Government Computer News for Information Resources Management. In addition, PC Computing magazine named IRS one of the top 101 Internet sites.

Cybersurfers at Work

How did IRS go about building their "on ramp" to the Information Highway? Customer market segments were identified and their tax information requirements were carefully examined. Several examples of the market segments were: United States taxpayers living or working overseas; university students; users of on-line services such as Prodigy; tax software developers; and tax practitioners. Electronic research was conducted on the Internet and a variety of on-line research systems. Primary data sources were demographics and growth studies, published articles from market research firms specializing in the Internet, results of user surveys, and computer industry trend analyses.

Several other key methods, applicable to almost any research project, were:

Benchmarking

Some of the best known companies in electronic text management, Boeing, Ryder, AT & T, Novell, Electronic Data Systems, and others shared their expertise with IRS. We identified gaps (i.e., differences in our practices and the best practices identified in business) and conducted analysis to determine what actions should be taken and where we should focus first. Gaps which impacted customer service most were made top priority. Best practices were examined in leadership strategies, information management and analysis, planning, human resources management, process management, business results, and customer focus and satisfaction[1] .

Creating Infrastructure

Users all across the globe access IRS information and they do not come to us using the same type of equipment or software. On the Internet there are users with fast and complex research computers, small home personal computers, and everything in between. Early on, we recognized the need to make our IRS electronic services "open," allowing people with virtually any type of computers or software to get the information they need. Benchmarking revealed the need to adhere to international standards for file formats. IRS selected standards based on the internal and external user requirements and benchmarking. Standard Generalized Markup Language, Adobe Portable Document Format, Printer Control Language, and Post Script were the standards chosen. A text repository provides a logically centralized library of text information assets.

Reengineering Processes

IRS has honed its processes for many years. However, many of these procedures are still designed to yield paper products for our external customers. Much of our text information assets are managed at the document level, not the information element level. When we store and retrieve text information, we normally use our management systems to maintain whole documents. In this way,

information is recreated rather than reused in another format or media. Our studies showed that reuse of information, especially at the element level (usually a section of text on a single subject), saves time, costs less, and improves productivity. Even more critical, it ensures consistency of information. As an example of reusing text information, consider automobile manufacturers who use the same seats and glove compartments in several different car models. Describing how to adjust the head rest or lock the glove compartment in many different car manuals using the same text is possible through this type of element level text management.

Here's how this might work for the IRS. Suppose you need to find a reference on depreciation and you know that many IRS publications discuss this topic—you just can't remember which one has the specific information you need. You could look through a paper index of publications, select several of the most likely (starting with a publication specifically on depreciation), then refer to the table of contents. What we found at the benchmark companies was something much different. Users accessed an electronic text repository of information. Rather than retrieving entire documents to scroll through, they could electronically retrieve information on a particular topic from many different sources—much, much less time, I might add.

We have begun to analyze and reengineer processes to make our information products, especially our core business products, portable across a variety of media (print, CD-ROM, Internet, fax, and more). Teletax information is just one of these products. Taxpayers have had access to Teletax information by phone for years. They can phone IRS and listen to any of over 150 different tax topics. These short (one or two pages) topics are used to serve millions of taxpayers each year. For 1996, Teletax information will also be available on the Internet. Still need that information on depreciation? Internet users will be able to check all appropriate references quickly. An added benefit of electronic services is that if you need a form or publication, rather than calling another phone number to order the form (and waiting a week or so), you can immediately download the form to your computer.

Conclusions

Self-help electronic information services cannot be used for everything we do but they can help relieve telephone traffic at out customer service sites and allow taxpayers another choice on how to get information. Lessons learned in the pilot operation of IRS electronic information services indicate that the business goals of reducing burden, increasing customer satisfaction, and reducing costs can be met through the use of the Internet.

Epilogue

In the 1996 filing season even more extraordinary results were achieved with electronic services. IRS developed its own Internet site, separate from the Treasury server and dramatically expanded the types of information available. Several examples are tax regulations and plain English summaries, "Your Business Tax Kits" (forms and publications for starting a business), and interactive "tax trails" (select a subject and then answer several yes/no questions until you get the answer to your tax question). In the first couple of months IRS' Internet site received 25 industry awards (from folks like Microsoft, Tax World, USA Today, Netscape, Money Magazine, Harcourt Brace, and the New York Times). More important was the feedback from taxpayers—the thank you letters continue to pour in. Maybe we'll get used to it.

Figure 1

Access IRS Information
....Electronically

Via modem, 703-321-8020
Via Telnet, iris.irs.ustreas.gov
Via FTP, ftp.irs.ustreas.gov
Via World Wide Web, www.irs.ustreas.gov
Via Fax, 703-487-4160

Kiosks, Electronic Government, and One-Stop Shopping

by Dennis Raup, Fred Apelquist and Larry Bunkelman

The primary goal of electronic government—a concept presented in Vice-President Al Gore's National Performance Review—is availability of federal, state, and local government services on a 24-hour/7-day-a-week basis accessible to all citizens, not just the computer literate. IRS teamed up with the State of California to explore such one-stop service using kiosk technology. This article presents the results of the project, called Info/California. While the costs versus the benefits of kiosks may be debated for some time within the IRS, Congress, and other interested stakeholders, the survey and focus group assessments of the test indicate that proper deployment of kiosks can play a vital role in realizing the goal of electronic government.

Note: This article deals with rapidly changing technologies. While every effort was made to ensure accuracy at the time of publication, significant changes may have occurred.

Introduction

More and more, Americans are enjoying the benefits of technology-driven service improvements in the private sector. Examples include 24-hour, one-stop customer service numbers, automated teller machines (ATMs), overnight package delivery, and point-of-sale and telephone credit card payments[1]. Citizens likely will come to expect government to provide equivalent levels of high-quality, automated services at reduced costs. Delivery of government services over the information superhighway promises a vehicle for delivering such a range of services to the public. The intent is to use technology to better serve U.S. citizens and disseminate information more easily and efficiently[2].

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The National Performance Review (NPR), championed by Vice-President Al Gore, addressed the use of technology to create an "electronic government." NPR has suggested three areas of concentration: a National Kiosk Network (NKN), on-line services, and toll-free telephone numbers providing one-stop shopping[3].

At the IRS, both the Compliance Research and Taxpayer Services functions have taken actions in support of electronic government by: (1) contributing to the draft NPR report recommending the National Kiosk Network (NKN); (2) working with the U.S. Postal Service, lead agency for the NKN, to provide IRS applications for NKN kiosk programs; (3) developing and implementing six applications for kiosks administered by the State of California; (4) developing IRS applications for FedWorld, an on-line service administered by the National Technical Information Service (NTIS) within the U.S. Department of Commerce; and (5) exploring the cost effectiveness, technical issues, etc. for receiving and answering taxpayer questions via electronic mail (a.k.a., e-mail). This article focuses on the first three kiosk-centric initiatives.

The "Electronic Government" Service Model

A September 1993 NPR report, "Re-engineering Through Information Technology," proposed creating an electronic infrastructure that would link all levels of government (federal, state, and local) into a single system. The report further recommended establishing a nationwide network of interactive kiosks that would give people access to this infrastructure in any environment. Customers could access any government organization from any of the kiosks deployed across the country in convenient locations such as libraries, post office lobbies, or shopping malls.

The report also described a government-wide (federal, state, and local) electronic service delivery model that incorporates a variety of current and emerging technologies within a national network. This service delivery model is fundamental for: realizing the goals of maximizing public access to government information and services, minimizing government development costs, and enabling a common user to interface with government service providers.

Kiosks represent an important first step in creating the core infrastructure for quick, seamless, and friendly customer service[4].

A second report, "The Kiosk Network Solution—An Electronic Gateway to Government Service," was issued in April 1995. This report was developed by a coalition among federal agencies referred to as the Interagency Kiosk Committee, which included IRS[5]. This report presented recommendations for the introduction of information technology to improve the delivery of government services to the customer (i.e., the public). If implemented, these recommendations have the potential to revolutionize the way the public interacts with government. This revolution will be achieved through the development and deployment of interactive, multimedia applications that are accessible through kiosks as well as other available delivery mechanisms, such as personal computers and the touch-tone telephone[6].

As a service delivery platform, kiosks can complement the touch-tone telephone. The touch-tone telephone is a nearly universal access device to government services since over 95 percent of U.S. citizens have access to one. The Service makes use of this medium through Automated Call Distributors (ACDs), Voice Response Units (VRUs), TeleTax, and Telephone Routing Information Systems (TRIS) applications. However, there are some limitations to using a telephone:

1) Nested menus are confusing if very deep;

2) Some applications are too complex for this ac cess mode;

3) Telephones don't have printers;

4) Seeing and hearing information or having choices on a screen are better than just hearing them over the telephone.

Successful interagency coordination is vital to implement a kiosk system that meets the needs of all participating agencies and their customers. Of the options considered, the Interagency Kiosk Committee recommended that a national coalition of agencies set policies and procedures for operating a network, as well as establishing electronic services guidelines for application development, standards, and protocols to be used across all systems.

The Info/California Kiosk Test

Info/California was intended to be a 100-kiosk network spread throughout metropolitan areas in central and southern California by 1995. The Info/California kiosk network was owned and managed by the State of California's Health and Welfare Agency. Info/California clients (such as the IRS, other state agencies, etc.) paid application development fees that went directly to the development costs and kiosk administration. In addition, clients paid "presence" fees for having their applications resident on the kiosk network.

Info/California was used by the IRS primarily as a testbed for IRS kiosk applications. The test was intended to evaluate the public acceptance, impact on taxpayer burden, benefits/costs, technical feasibility and security implications of providing these and other kiosk services in a larger environment (i.e., a government-wide kiosk system). Info/California was intended to be a short-term relationship for IRS, with IRS applications beginning in February 1995. Info/California ceased operation in August 1995 because of a lack of funding from the State of California.

IRS applications were on 57 Info/California kiosks deployed across the state. California residents were able to access various IRS services and information in English and Spanish on the kiosks. These services included four informational applications (answers to commonly-asked questions, filing information, information on current tax topics of interest, and differences between state and federal taxes) and two interactive applications (printing and ordering tax forms and how to contact the IRS). New and revised tax forms and other material were downloaded to the kiosks as they became available[7].

In the interest of having integrated federal/state applications, the project members and Western Region representatives met with the California Franchise Tax Board (i.e., state income tax agency) to coordinate IRS kiosk applications with their Franchise Tax Board kiosk applications. Thus, the IRS applications had links between related federal and state income tax issues. Also, a sequence of screens outlined major differences between federal and California state income tax regulations.

Test Results for Info/California

During the period February to August 1995, 2,560 customers accessed the IRS screens. The most accessed screen was the "Difference Between State and federal Taxes." The "Answers to Common Questions" and "Hot Topics" screens followed closely.

The three most frequently accessed "Commonly Asked Questions" screens were:

- "How can I check on the status of my refund?"
- "How long will it take to get my refund?" and
- "Where can I get help correcting my tax problem?"

The three most used "Hot Topics" screens out of nine that were placed on the kiosks included:

- "Installment Agreement User Fees"
- "Disaster Area Losses (Including Flood Losses)" and
- "Is there a Black Reparations tax credit?"

Hot topics could be added overnight on an as needed basis. This feature provided program flexibility that was also beneficial to the customer.

To gain user feedback on the kiosks, a survey and focus groups of kiosk users were conducted. The survey was conducted in April, 1995. It consisted of one-on-one interviews and collected qualitative data. Some of the survey findings were:

- The kiosks were very user friendly.
- Some customers had to firmly touch the screen or touch it more than once to utilize the information.
- The printing of IRS forms was found to be the most helpful feature.
- Some customers wanted to file their taxes using the kiosk.
- A large banner above the kiosk would be advisable. This may indicate that people were unaware of the kiosk's presence or perhaps confused it with an ATM or game machine.

Additionally, six focus groups were conducted in November 1995 to assess the success of the kiosk test[8]. The highlights were as follows:

- Some of the participants had previously used IRS' toll-free telephone assistance program. Of those who had difficulty reaching IRS, they preferred using the kiosk as a means of getting IRS information.

- Most of the participants felt that the kiosk was easy to use, partly because of their prior experience with other kiosks in the California lottery system, WalMarts, airports, etc.

- Although many of the participants found the background visuals interesting, the overwhelming majority said they made the written information difficult to read. Most people wanted a simple background that made the text easy to read and did not distract them.

- Almost all participants felt that the kiosks should be available 24-hours per day, every day of the week in convenient and safe locations.

- Some people had problems with the touchscreen, while others felt that the machine was too slow. This may indicate that quality state-of-the-art equipment is not just a nicety, but a necessity so that people can do what they need to as quickly and as easily as possible.

- Many people stated that the IRS needs their own kiosk machines, especially at tax time. They also wanted a specific index for IRS topics as opposed to just the Info/California index which was for all (not just IRS) kiosk applications.

- Many people felt that the kiosks could prove to be a better alternative than the information from the IRS toll-free telephone assistance program. They felt that the kiosks would give more accurate and consistent answers to questions.

- Information printed was frequently greater than that shown on the screen. Many people wanted to have what was going to be printed displayed in its entirety on the screen first.

- The IRS application most praised was the ability to print a wide variety of forms at the kiosk.

Some overall lessons learned from the Info/California test were:

- Advertising and other promotional means must be employed so that citizens are aware of the kiosk applications available and where the kiosks are located.
- The kiosk site must be well chosen for high traffic and be located in a highly visible location at that site rather than being hidden away.
- Info/California computer application source codes must be directly transferable to other states' computer systems. Thus, the need to develop a national kiosk network is paramount, as it is not cost effective for the IRS to develop applications for 50 different state operating environments.

NKN System Costs and Benefits

Long term costs to the IRS for participating in the National Kiosk Network (NKN) are expected to be manageable given the large number of other participating agencies who would share kiosk expenses. Also, factors such as declining market costs over time for computer hardware/software will help to keep costs manageable. Key variables, such as the following, will affect the cost estimate for IRS:

- How many federal, state, and local governments participate and to what extent they participate;
- How many users use the kiosks (assuming billing is based on actual usage of agency applications);
- To what extent the IRS will be able to use its existing applications by pointing to them from the kiosk—user touches IRS button at kiosk which connects with IRS server(s) containing IRS applications accessible from various mediums (kiosk, telephone, on-line service such as FedWorld, etc.);
- Whether private industry will be involved and defray some costs to the various levels of government; and
- Whether applications require a user fee from the kiosk user.

In terms of kiosk benefits, a privately commissioned study recently published in "Information Week" magazine confirmed the importance of looking beyond cost savings as a benefit when implementing information technology (IT) programs. In fact, of the 285 companies surveyed, managers said that improved customer service was the main benefit they expected to get from their IT investments[9]. Better customer service manifests itself in various ways. Customers using kiosks can interact with government at their convenience. The need to deal with government only during traditional office hours is eliminated. Also, kiosks can offer multilingual applications. Thus, many customers can obtain government services and information using a more familiar language than English. The needs of people who are illiterate or who have hearing or vision impairments can be addressed using sound and graphics. Kiosks help to reduce distance barriers for people in remote locations, and allow the government to improve and expand customer service. Furthermore, applications that bundle all relevant government requirements and services in a seamless way without distinction between local, state, and federal jurisdictions have the potential to greatly simplify citizens' interactions with all forms of government.

For IRS work processes, direct electronic input by customers reduces the need for data entry or transcription of telephone tapes. Such input has been found to reduce internal errors by a large factor.

Challenges Ahead

Two of the biggest challenges to realizing the aforementioned benefits are cross-jurisdictional cooperation and funding. Various federal and state agencies must be convinced that by joining in an integrated effort, they can more efficiently and effectively fulfill their missions, and do so at reduced costs. The technological barriers, while considerable, are most likely quite resolvable. Also, if financial transactions will be involved, they raise a number of issues such as authentication, digital signatures, etc.

The preferred design of electronic access applications should have a single set of applications that can be accessed by various public interface modes, i.e., be interface independent. To add an access mode, we should require little or no modification. Although kiosks were not specifically envisioned for Tax Systems Modernization (TSM), they are less a change to the TSM design than a new channel of expression for it.

In addition, government has a responsibility to maintain the privacy, security, and integrity of the public's information. Regulations and authorizing legislation currently govern the dissemination of information on an agency-by-agency basis. Thus, policies will have to be reviewed by each agency to ensure how information can be shared in a way that rigorously protects individual privacy. Kiosks have the potential to serve a large number of people—especially those who are not computer literate, who cannot afford a computer, or who desire to access government services while outside their home (e.g., at libraries, post office buildings, etc.). The percentage of households in the U.S. who own personal computers is in excess of 30 percent and more than 3 million households have accessed the Internet[10]. On-line services such as FedWorld offer alternative modes of access to government services. These differing modes of access (kiosks and on-line services for example) can be complementary. A single service request could come from a kiosk, from a PC owner accessing the Internet, or from any communication device that can reach a single specific government server where the application and data reside. In summary, there are many viable electronic access methods to government services. The challenge is how to leverage each access method appropriately.

In stating his vision of the future, Bill Gates of Microsoft Corporation sums up the possible role of a kiosk in the future:

"There will be a special form of what is almost a kiosk PC—but one that is publicly available wherever there's a pay phone, an Automated Teller Machine or fax machine today. It will be a screen-based device in which you place your "smart card" and see your messages, browse information, initiate a video conference, get cash, and do anything you want to do with information on a very easy basis."[11]

Endnotes

[1] Per Gene Dodaro, Government Accounting Office, **Electronic Government Report**, Volume 1, Number 10.

[2] The Clinton Administration's National Information Infrastructure (NII) initiative serves as a backdrop for this effort. It includes other aspects of electronic government, such as an open Government Services Information Infrastructure (GSII) that allows internetworking of services and capabilities in a seamless fashion. This could include using the Internet and the World-Wide Web (WWW) to support public access to government information and services.

[3] One-stop shopping means meeting customer needs by resolving all issues in one visit or communication.

[4] While the specific focus of this report is on kiosks as a service delivery mechanism, the report recommendations can be applied to other access technologies as well, such as interactive cable TV, personal computers, and telephonic devices.

[5] The Government Information Technology Services (GITS) Customer Service Imporvement Team (CSIT) was chartered to coordinate the development and implementation of a one-stop government services kiosk via the Interagency Kiosk Committee. In response, CSIT asked the U.S. Postal Service to lead this interagency committee to create a kiosk plan for national implementation.

[6] The touch-tone telephone is a nearly universal access device since many U.S. citizens have access to one. The Service currently makes use of this medium through Automated Call Distributors (ACDs), Voice Response Units (VRUs), Tele-Tax, and Telephone Routing Information Systems (TRIS) applications. However, there are some limitations to using a telephone which kiosks address: nested menus are confusing if very deep; some applications are too complex for telephone access mode; and telephones do not have printers.

[7] Additionally, the Social Security Administration (SSA) worked with the IRS on a Form W-4 application, which was not implemented due to the Info/California termination. Also, under certain conditions the kiosk user would have been able to request that SSA Form SS-5 be printed at the kiosk.

[8] The IRS focus group report "IRS Applications for the Info California Kiosks Focus Group Report," January 31, 1996 provides further details.

[9] **InformationWeek,** October 10, 1994.

[10] Miller, Thomas E. "New Markets for Information." **American Demographics** April 1995: 46-54.

[11] **Microsoft Magazine,** September/October, 1995 edition, p. 62.

The PRP Case Identification Tracking System (PRPCIT)

by George Deller and Alan Kravetz

Since 1977, IRS has provided taxpayers with an independent complaint handling system called the Problem Resolution Program (PRP). PRP assures that taxpayer problems which have not been resolved through normal IRS channels are promptly and properly rectified. Given a lack of PRP awareness by the public and the Service's desire that all taxpayers who qualify for PRP assistance receive special handling, the primary responsibility for identifying PRP cases falls on IRS' public contact employees. In order to assure that all cases qualified for PRP are identified, the Taxpayer Ombudsman ordered development of a program for measuring the relative success of PRP referral efforts. This article discusses the development of the program—called PRPCIT (Problem Resolution's Problem and Case Identification System)—and the results of its implementation. Our study indicated that PRPCIT provides a more reliable system for identifying PRP-eligible cases found in service centers, with 74 percent of cases being identified in FY 1994.

Background

Since 1977, IRS has provided taxpayers with an independent complaint handling system called the Problem Resolution Program (PRP). PRP assures that taxpayer problems which have not been resolved through normal IRS channels are promptly and properly rectified.

Taxpayers may obtain the benefit of PRP in one of two ways. First, taxpayers and their authorized representatives (accountant, lawyer, or other tax practitioner with the taxpayer's power of attorney) who are aware of and qualify for PRP may ask specifically for Problem Resolution assistance. These contacts are "direct receipts" in IRS parlance. Second, all IRS public contact employees (e.g., Revenue Officers, toll-free telephone assistance operators) are trained to recognize qualifying taxpayer problems and expected to refer them to Problem Resolution. Ideally, the combination of direct receipts and referrals ensures that all taxpayer situations that qualify for PRP receive PRP assistance.

To qualify for PRP assistance, a taxpayer complaint or inquiry must meet at least one of three PRP criteria. The first criterion is any contact (e.g., letter, phone call) with the IRS on the same issue at least 30 days after an initial inquiry or complaint, or a second contact with the IRS after 60 days from filing an original return or claim. For example, a taxpayer writes to request a Federal Tax Deposit (FTD) penalty abatement. Having received no response in 5 weeks, she again writes to the Service requesting abatement of the penalty. This second request on the same issue qualifies for PRP.

The next criterion is any contact that indicates the taxpayer has not received a response by the date promised (including commitment dates on IRS forms). To illustrate, on August 15th a taxpayer files a Form 9465, Request for Installment Agreement, with his 1994 income tax return. Form 9465 says that the taxpayer will receive a response within 30 days. The taxpayer contacts the Service on September 20th because he has not received a response by the date committed to on the Form 9465. This problem qualifies for PRP because IRS did not respond by September 15th.

In order to assure that all other deserving situations are included in PRP, the IRS has a third "catch all" criterion. If a taxpayer has contacted IRS and IRS' established systems have failed to resolve the taxpayer's problem—or it is in the best interest of the taxpayer or the Service that the case be worked in PRP—The IRS public contact employee should refers it to PRP. For example, upon receiving a statutory notice of tax deficiency, the taxpayer filed a petition with the appropriate tax court within the required time. However, the Service failed to acknowledge the tax court petition and thus assessed the proposed tax. Due to the taxpayer's right to go to court being denied (i.e., IRS assessed the tax without due process), this case qualifies for PRP.

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Proper Level of PRP Assistance

If taxpayers know their situation qualifies for PRP, they can contact IRS and request it. If not, the level of service provided to them by IRS may be less than optimum, unless IRS personnel and its systems identify and refer such cases to PRP.

IRS has attempted to maximize taxpayer requests for PRP through publicity campaigns. Examples of this publicity include:

- *The Form 1040 tax package, received by taxpayers each year, always contains reference to PRP.*
- *Publication 1, Your Rights as a Taxpayer, prominently mentions PRP.*
- *Publication 1546, How to Use The Problem Resolution Program of the IRS, provides specific instructions on the use of PRP.*
- *Publication 1320, Operation Link, aims to maximize awareness of PRP in the practitioner community.*

Despite these publicity efforts, surveys indicate a low level of Problem Resolution awareness among the general public[1]. Also, in discussions and interviews on other matters, many taxpayers are surprised that the Service has such a program.

Given this apparent lack of PRP awareness and the Service's expectation that all taxpayers who qualify for PRP assistance should receive special handling, the primary responsibility for identifying PRP cases falls on IRS' public contact employees. Thus, IRS employee awareness and use of the PRP criteria is critical to the success of the Problem Resolution Program. In fact, almost 75 percent of PRP cases are identified by IRS employees[2].

In order to assure that all cases qualified for PRP are identified, the IRS Taxpayer Ombudsman (an executive position established as the primary advocate within the Service for the taxpayer and Director of the Service's Problem Resolution Officer) decided that the Service needed to establish a system for measuring the relative success of PRP referral efforts. IRS knew how many cases it had actually identified for referral. However, the Ombudsman needed to know the number of cases that should have been identified by IRS for PRP referral. In this way, IRS would be able to measure the efficiency of its existing PRP referral methods.

Methodology

Contacts with IRS functions revealed that some offices had undertaken efforts in the past to measure PRP case identification success. However, these efforts had been limited to individual office examinations for limited periods of time. Thus, we (i.e., staff working for the Taxpayer Ombudsman) had to develop our own methodology.

Our first step was to determine where significant contacts between the Service and taxpayers were more likely to occur. Discussion with IRS functions (i.e., Collection, Examination, Taxpayer Service) indicated the following sources:

- ***Service Center notices***
- ***Automated Collection System (ACS) Operations***
- ***Field Collection contacts***
- ***Office and Field Examination contacts***
- ***Taxpayer Service Toll-Free Assistance Operations***

Our sources indicated that the number of contacts between IRS service centers and taxpayers regarding notices far exceeds the number of Collection and Examination contacts. Therefore, we decided to defer Collection and Examination contacts (items 2 through 4 above) from the initial focus of our study. Further, given the lack of an effective "audit trail" on toll-free assistance contacts and the extremely labor intensive effort needed to effectively monitor a statistically valid, random sample of telephone calls, we further decided to defer action on toll-free contacts in our study.

Our general research approach involved reviewing a statistically valid sample of incoming taxpayer correspondence for PRP criteria. The correspondence in the sample that met PRP criteria was photocopied, all mail sampled was placed back into the normal mail stream, and all mail was subsequently tracked to see whether the cases were appropriately identified by Service employees for PRP.

The Taxpayer Ombudsman decided to pilot test our methodology before servicewide implementation. Brookhaven, Fresno and Kansas City Service Centers volunteered for the pilot test, which ran for one year. The three centers were particularly suitable for the pilot test because of their historical PRP receipt levels (increasing, highest and lowest, respectively) among IRS service centers, and their geographic dispersion. We wrote a PRP Case Identification Tracking Analyst position description and had each center select a qualified individual for the position. The Tracking Analysts attended a 1-week class based on training material developed exclusively for the position. This class included lessons on PRP criteria, sample selection methods, correspondence tracking methods, and use of a special management information system developed for the test. Part of the training involved a visit to the Receipt and Control Branch of a service center and the actual sampling of live mail at a service center.

The pilot test began at the start of fiscal year 1991 and refinements were made throughout the year. For example, the incidence of PRP qualifying correspondence related to original return filings and certain bar-coded notice replies was rare. Therefore, we decided to exclude these types of correspondence from the sample. Also, mail receipts generally peak immediately after April 15 (the individual tax return filing deadline), which necessitated adjustment of the sample size during this brief period.

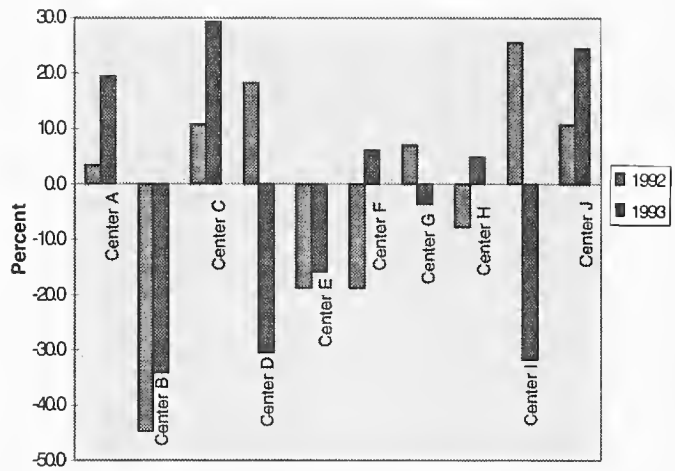
The pilot test convinced the Ombudsman that our methodology was sound. Consequently, he gave approval for nationwide implementation of our program beginning fiscal year (FY) 1992.

Uniformity among the tracking analysts in selecting the cases that met PRP criteria was a fundamental part of PRPCIT. We found wide variances among the service centers in sample size and in the portion of the sample determined to meet PRP criteria. In an attempt to correct this problem, we added a provision to improve consistency with a 1992 survey; tracking analysts from all 10 centers reviewed the same sample (a combination of correspondence from all 10 service centers) of photocopied correspondence for PRP criteria. In a subsequent 1993 survey, we further attempted to improve consistency; a consensus group of experienced problem resolution employees developed the expected correct answer for all cases among the 10 service centers.

Survey Results

When analyzing the results of the 1992 and 1993 surveys, we found the variance in the number of cases identified as meeting PRP criteria greater in the 1993 survey compared to the 1992 survey. To make the two surveys comparable, we translated the number of cases identified for each service center into the percent difference from the nationwide average number of cases identified for that year's survey. For example, the tracking analyst from Center C[4] identified 10.7 percent more cases than the 1992 average and 29.3 percent more cases than the 1993 average. Figure 1 shows this phenomena for all ten service centers.

Figure 1
Percent Difference From Average National
PRP Cases Identified By Service Center



We were concerned that these differences among service centers would affect our critical measure of success: the case identification rate (i.e., the percentage derived from sampled cases that were actually identified as PRP cases divided by the sampled cases that should have been identified as PRP). We analyzed the relationship between that rate for each service center and the variances in Figure 1. We found very little, if any, relationship. Some centers were high in both factors, some low in both, and others were low in one area and high in the other. We also found the same lack of relationship between the case identification rate and the percentage of cases meeting PRP criteria at the time of sampling.

Although we found no relationship between the case identification rate and the differences illustrated in Figure 1, we felt that the PRP criteria was too complicated to apply uniformly. Thus, the Ombudsman approved a recommendation for the simplification of the PRP criteria.

Increase PRP Case Identification

Nationally, the percentage of the sample successfully identified as PRP cases increased from less than 30 percent in FY 1992 to almost 75 percent in FY 1994[5]. (More recent data shows this trend continuing.) Each service center also showed increases, at different rates, during the 3-year period. This improvement could have resulted from real increases in the case identification rate, as well as from other factors such as the simplification of PRP case criteria.

Table 1
Case Identification Rates By Service Center
(Percent of cases identified for PRP)

Service Center	Fiscal Year 1994	1993	1992
Center A	63.5	34.2	31.9
Center B	56.7	27.0	7.3
Center C	80.3	56.9	26.6
Center D	80.4	74.5	57.0
Center E	91.7	78.0	19.4
Center F	58.8	40.3	25.5
Center G	81.9	27.8	4.2
Center H	76.8	34.5	4.0
Center I	89.8	63.9	50.5
Center J	79.1	40.4	25.9
U.S.	74.4	48.7	29.6

Table 2 shows the total Problem Resolution Program case receipts with the percentages of those receipts identified in districts and in service centers. In FY 1991, the last year prior to PRPCIT implementation, service centers identified 25.7 percent of the taxpayer cases. This percentage essentially doubled in the first 3 years of PRPCIT. As the percentage of cases identified in centers increased, the percentage identified district offices showed a corresponding decrease. In FY 1991, district offices identified 74.3 percent of the cases. By FY 1994, that number had fallen to 47.6 percent.

The total receipts shown in Table 2 illustrate another benefit partially attributable to PRPCIT. Since the total number of PRP cases has remained approximately the same from 1992-1994 (around 400,000), these results suggest that the impacted taxpayers are receiving quicker PRP service. This is because taxpayer contacts via service center notices and letters typically occur months before contact by district office staff.

Table 2
Total PRP Cases Identified in Service Centers Vs. Districts
(Counts in Thousands)

Fiscal Year	Total Count	Service Center Count	Service Center Percent	District Count	District Percent
1991	378	97	25.7%	281	74.3%
1992	429	142	33.1%	287	66.9%
1993	354	143	40.5%	210	59.5%
1994	418	219	52.4%	199	47.6%

Other Benefits of PRPCIT

Tracking analysts have a unique opportunity to detect systemic or operational problems, because they read incoming mail in the PRPCIT samples to determine if the case qualifies for PRP. Tracking analysts cited the identification of systemic or operational problems as one of the most satisfying aspects of their job. We believe it is also satisfying to both taxpayers and the IRS because resolution of these problems will hopefully prevent future problems for taxpayers. Among the types of systemic and operational problems the tracking analysts identified were:

- notices requiring revision for better taxpayer under standing (some of these had inconsistencies between the first and second notice of a series)
- missing or inconsistent enclosures with notices or letters (the taxpayer calls IRS for the enclosure and probably will receive it too late for a timely response)
- incorrect response periods appearing on notices (which can result in too little time to make a payment)
- issuances of levies not being reflected on the taxpayer's IRS records
- incorrect type of return filing extension shown on the taxpayer's IRS records (which can lead to inappropriate late filing penalties)
- failure to extend the period to prevent enforcement actions while IRS considers the taxpayer's claim
- routing problems that caused premature issuance of notices

One tracking analyst even identified a refund scheme that was referred to IRS' Criminal Investigation function.

Direction of Future Research

With IRS' recent customer service site initiative (a movement from mostly correspondence contact with taxpayers to more telephone contact), it is even more critical that IRS be able to identify those contacts requiring Problem Resolution handling. To approach that goal, IRS needs to develop accurate methods for measuring case identification in a telephone environment. We currently know how many telephone contacts are identified as PRP cases, but we don't know how many should have been identified. However, establishing a reliable measure of PRP identification rates for telephone contact is very challenging. The challenge results because cases that should be identified as Problem Resolution make up a very small part of the account related calls to a toll-free site. Also, telephone monitoring is a labor intensive process.

However, two recent systemic changes have provided the opportunity for us to test case identification in this arena. These changes are the implementation of the Taxpayer Routing Interactive System (TRIS), which enables the taxpayer to route his/her call to the proper gate (by making choices from a recorded telephone menu), and the testing of the blended PRP group (caseworkers from Taxpayer Service, Collection and Examination in one group) in the Nashville Customer Service Site.

We tested case identification measuring in three sites, using a different method in each site. Cleveland, the pilot site for TRIS, had a Problem Resolution Staff person assigned full time to case identification measurement (monitoring telephone calls, tracking correspondence, and reviewing in-process inventories). Nashville had each member of the blended group doing call monitoring in his/her spare time. Buffalo had one of the regular Taxpayer Service Quality Reviewers reporting on the part of his normal activities that involved Problem Resolution case identification. We are currently evaluating the results of each approach.

Conclusions

Taxpayer problems are generally easier and less costly to resolve when identified and worked as early as possible. Our study indicates that PRPCIT may maximize the number of PRP-eligible cases identified at the service center level—the earliest possible contact in IRS' work processes. However, the study results only apply to service center notices, and further study will be required in other areas of IRS' work processes.

Endnotes

[1] *1987 Taxpayer Opinion Survey*, Louis, Harris and Associates.

[2] Problem Resolution Office MIS, FY 1994.

[3] Employees handling these contacts receive Problem Resolution criteria training.

[4] The service centers are labeled by an "A," "B," "C," etc. convention to preserve the anonymity of the results.

[5] IRS implemented the simplified criteria in FY 1994. These criteria improved the ability of a front line functional employee to determine if the taxpayer contact qualifies as a Problem Resolution case. Tracking analysts are now more uniform in using the criteria, resulting in the tracking system operating successfully at all 10 centers.

Compliance and Business Process Redesign

by Susan Novotny

Tight budgets coupled with dynamic business conditions make it challenging for the IRS to advance its goals of increasing voluntary compliance, maximizing customer service, and achieving quality products. One promising solution to this task is the Service's core business systems. Core business systems use a systems management approach to continually reinvent the way IRS does business. This article focuses on the "Ensuring Compliance" component of CBS and outlines some of the process improvement teams and projects used by Compliance to improve its performance. Additionally, an appendix to this article provides a general background and discussion of core business systems.

CBS - The Core of the New IRS

"The dogmas of the quiet past are inadequate for the stormy present and future. As our circumstances are new, we must think anew, and act anew."
- Abraham Lincoln

IRS employees know we are changing the way we do business, but with so many "reinvention" activities underway, it is easy to forget why we are in the midst of all this change. The answer is simple....*the old ways won't solve today's problems.* We are facing changing business requirements and changing customer expectations. Despite tighter and tighter budgets, the Service must continue to advance its goals of increasing voluntary compliance, maximizing customer service, and achieving quality driven productivity.

How does the Service identify faster and better ways to conduct the tasks we face every day in our business activities and improve voluntary compliance? One method is to use a systems management approach to analyze business processes, identify inefficiencies, and capitalize on improvement opportunities. This approach involves grouping work processes into a few large "systems" that are essential to the organization's mission. At the IRS, we call these ***core business systems*** (CBS).

"Reinvention" is an evolving process which includes new computer systems and technology, redesign of business processes, and revision of organizational structures and human resource practices. Although products flow horizontally across the organization, moving from one function to the next, we have traditionally managed the processes that deliver our products within functional areas. At IRS, we hope to change the way we manage and analyze our work by using "core business systems" to manage work along process or system lines with a focus on what customers value in our products. Improvements in products and related work processes will be made within the context of delivering the final product and its relationship to other products. The business process improvement analysis will identify not only how work will be performed, but also how people will interact with the new automated systems IRS is just beginning to implement through Tax Systems Modernization.

The core business approach is not a one time project, but a new way of managing the organization and our operations. It is part of the long term, ongoing effort to improve the efficiency of IRS. This new way of analyzing our operations will help us redesign our business work processes of the future and achieve our Business Vision.

The key work processes of IRS have been grouped into five "core business systems." All work done by the Service fits into one of these systems:

- Ensuring Compliance
- Managing Accounts
- Developing and Managing Systems
- Value Tracking
- Resourcing

So what does all this mean for IRS employees? And how do these change efforts fit together? In this article, I will focus on how Compliance has used the core business approach to change the way it works. In addition, the appendix to this article provides a broader discussion of CBS—explaining the history and goals of CBS and relating it to such concepts as Total Quality Organizations.

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Business Process Improvement in Compliance

Compliance began its efforts to improve business processes in 1992 when it identified key activities using the core business systems approach. "Process improvements" are targeted to procedures that have well defined beginnings and endings. They are typically concentrated in IRS field offices and are orchestrated by teams of IRS personnel, customers, and National Treasury Employees Union (NTEU) representatives—people who know and work in the processes daily. Many business process improvement teams are at work in Compliance, others will be forming in the near future. Whether they are referred to as reengineering teams, subsystem teams, or process analysis teams, they are all reinventing the way we operate and manage within core business systems.

So what have been the results of all this reinvention? To team members, change has not always come easily. Process improvements must do battle with the familiar ways of doing things—sort of a David and Goliath struggle. However, business process improvements have been realized. Since work began in 1994, over 200 recommendations for improvement opportunities have been identified by the process analysis teams. The following are examples of some of the recommendations that have either been implemented or are being tested by the Service:

o A letter notice used for certain delinquent taxpayers was revised to specifically request payment and filing of returns in delinquency situations. The preliminary tests show potential benefits of $300M in FY 1995 and increased response rate from 12% to 20% over the previous letter which only advised taxpayers that taxes were owed.

o Through several improvements in the Automated Substitute for Return (ASFR) process, the overall cycle time was reduced by 202 days. As a result, the process is more efficient and more cases can be processed.

o An automated cross-reference spousal check was incorporated at various stages within the ASFR process to reduce the number of erroneous 30/90 day letters sent to taxpayers. It is estimated that 25,000 erroneous delinquency letters will be eliminated to taxpayers who had timely filed Forms 1040. An estimated annual savings of $250,000 is expected, not to mention the immeasurable reduction in taxpayer burden.

o A programming error was identified in a Service-wide method of calculating taxes owed in tax delinquencies. The correction, to be effective in January 1996, will eliminate incorrect and inconsistent computation of tax due during the ASFR process.

o Beginning October 1, 1995, the fraud referral process has been streamlined and revised. As a result, potential civil fraud cases are no longer sent to Criminal Investigation for evaluation. Potential criminal fraud cases will still be referred to Criminal Investigation. These changes reduce workload in both Criminal Investigation and Examination by eliminating a step that did not add value during an examination.

o Reengineering and streamlining the EP/EO Determination Application process, which is a very labor and paper intensive process for both taxpayers and the Service. A core business approach was used to facilitate the approval of the centralization of EP/EO determinations and taxpayer service in Cincinnati. As a result, EP/EO began testing many of the process recommendations as part of the centralization beginning 10/1/95 (estimated $18.6M savings without redesigning process).

o An ongoing problem with incorrect coding of international returns (Forms 1065 and 1041) was corrected. The incorrect coding caused international returns to bypass the system for special international consideration.

o A single transaction code to abate unpaid taxes discharged in bankruptcy will be implemented in early January 1996. This code will allow the Service to clear out all taxpayer accounts in one transaction. Since bankruptcy cases often cover four to five years, the single transaction code ensures a clean taxpayer account and reduces the possibility of continuing actions such as levies, notices, etc. The potential savings is 71.8 FTE annually, plus increased revenue of $24.9M, and a $1.2B reduction in ARDI.

o A full scale prototype began in September 1995 to directly download new bankruptcy cases and docketed events from Bankruptcy Courts to our records. The download will eliminate the significant amounts of paper we receive in bankruptcy cases, but more importantly, it ensures that we receive timely and complete information on new bankruptcy filings so that we can stop all actions such as levies, seizures, etc.

o Improvements are being made in Trust Fund Recovery Process such as developing uniform training between Appeals and Collection areas; and raising the trust fund recover process dollar threshold tolerance which will allow us to quickly dispose of lower priority cases and concentrate on higher priority cases.

o A recommendation to add a second address line to the Master File will be implemented parallel with Inventory Delivery System (IDS). IRS is not allowed to change a taxpayer's address of record on the master file without notification from the taxpayer. However, we often obtain updated address information from other sources. A second address line allows us to send duplicate notices to the taxpayer, which hopefully will reduce delays in contacting the taxpayer and ultimately reduce accrual of penalties and interest for the taxpayer.

o New balance due notices are being tested, such as a video notice (more direct appeal to taxpayer) and notices resembling credit card statements (to provide taxpayers with a more familiar format).

How Else Are We Reinventing Compliance?

The principles of core business systems are being used to improve many aspects of Compliance work. The following are examples of other cross-functional projects:

o **Enforcement Action Reengineering Project**: This is one of eleven corporate level cross-functional processes identified for reengineering. While still being evaluated, the goal of Enforcement Action is to improve the way taxes are collected from delinquent taxpayers.

o **IRM Redesign Project**: An exciting new project is underway to redesign, restructure, and automate the Compliance portion of the Internal Revenue Manual (Parts 4, 5, 7, 9, 20 and Section 1272 of Part 1). This cross functional project includes the development of a directives manual of 300-500 pages of policy and program descriptions supported by technical instruction within the IRM. Additionally, both the current and revised editions of the IRM will be automated in a researchable format for employees who have access to desktop and/or laptop computers. This project promises to be an exciting opportunity for Compliance to provide a superior research tool for its employees, which will be less cumbersome to use, easier to timely revise and maintain, and more user friendly.

o **Compliance Measures**: New measures are being developed to parallel with Business Master Plan (BMP) objectives and strategies. The new measures will help us evaluate how well our systems and processes are working, and they will be cross functional and customer focused. Examination is beginning to implement some of the new measures in FY 1996.

Conclusion

Over the past several years, Compliance has made investments to advance its goals and improve its business processes. This article outlined some of the business process improvements and cross-functional projects using a core business approach to encourage efficient use of resources. As we continue this journey towards a "new way of doing business," we find that reinvention is an ongoing operation—one that is often trying, but satisfying to those involved and ultimately worth the effort to both the Service and taxpayers.

Appendix Background

In 1992 the Service adopted the core business systems approach developed by the University of Tennessee Management Development Center. This is a systems management approach to managing and redesigning business systems and work practices to generate better products and services for our customers.

Building on the principles and processes of quality improvement, this methodology is predicated on a model of both continuous and breakthrough improvement of systems based on customer values. Unlike the incremental approach of our earlier quality improvement activities, this methodology of business process improvement seeks to cause more dramatic change through radically

and fundamentally improving business processes. It encourages analysis and improvement of systems from a top-down, cross-functional perspective, unimpaired by functional barriers which may inhibit integrated problem solving. It provides the framework for thinking about the Service's work in the context of the total system, stripping away the traditional stovepipe perspective.

The goal of the core business systems management approach is to provide the framework for delivering products and services to taxpayers that are timely, user-friendly, cost effective, and aimed at improving voluntary compliance and reducing burden. Both incremental improvement (process analysis) and "breakthrough" or "radical" improvement (reengineering) of work processes and computer systems are underway. It is part of the long term, ongoing effort to improve the efficiency of IRS and move away from the current paper and labor intensive processes to a more modern, electronic environment which focuses our resources on frontline compliance and customer service.

Core business systems methodology is "improving what is and designing what will be" with a focus on customer values.

Business Process Reengineering

Business process reengineering originated in the private sector as a means for businesses to remain competitive in a changing marketplace. Government may be changing for different reasons, but the need to change is no less critical. Reengineering is not about refining or improving *existing* work processes. It is about rethinking the way work is done and *fundamentally* changing it. Initially, eleven "product lines of IRS" were identified for reengineering which represent the primary corporate level cross-functional processes that start and end with the taxpayer:

- Processed Return
- Outgoing Notices
- Respond to Taxpayer
- Tax Withholding and Estimated Tax Payment Service
- Taxpayer Information and Education Materials
- Taxpayer Information and Education Services
- Tax Forms and Instructions
- Enforcement Action
- Completed Audit
- Agreements
- Criminal Investigation

Although the grouping of these processes into product lines may have changed, the Service is continuing to evaluate how to utilize reengineering methodology to fundamentally change its work processes.

Core Business Systems and Total Quality Organization (TQO)

Core business systems are macro-systems which together encompass the work done by IRS. They are large, cross-functional systems which reflect our fundamental obligations to the taxpayer. They overlap one another to some degree, and cross traditional functional lines. Each core business system is composed of subsystems, which in turn, can be broken down into further detail in processes and subsequently into subprocesses.

Core business systems, when described down through the subsystems and processes, create a framework for looking at the work of the Service at a ***national*** level. Following this approach, systems analysis methodology is applied horizontally from a top-down, cross-functional perspective, unimpaired by functional barriers which may inhibit integrated problem-solving. Needed improvements are made within the context of the overall system and its relationships to other systems, creating a hierarchy of measures for our work which are integrally linked up and down the system and to desired outcomes.

Core business systems are part of the systems management approach to a Total Quality Organization (TQO). Concurrent with CBS, a "bottom-up" analysis of processes is being used to "map" and measure ***local***, district level process improvement. This approach applies systems analysis methodology vertically to ***local*** level processes, resulting in continuous improvement of existing processes at the local level. In every IRS district and service center, TQO teams are mapping and analyzing local processes.

Basic Steps in Systems Analysis

- Identify and select a system or process to be analyzed.
- Assign accountability for overall performance to an "owner"
- Objective and Scope identified
- Objective and Scope validated
- Map and map narrative prepared
- Map and map narrative validated
- Customers identified
- Products and services identified
- Customers, products and services validated
- Dependencies, overlaps, gaps and interactions (DOGI's) identified and analyzed
- DOGI ownership assigned
- Failure conditions identified
- Customer realizations and sacrifices identified
- Customer based value-added analysis performed
- Customer realizations and sacrifices validate
- Measurement plan prepared
- Measures identified
- Measures installed and data col lected
- Measurement baselines established
- Cost study to determine service-wide resource consumption of system, subsystem, process
- Improvements identified (incremen tal improvement or reengineering)
- Improvements/changes tested/ implemented
- Impact measured
- Improvements/changes standardized

Financial and Accounting Tools to Predict a Taxpayer's Potential Bankruptcy, Insolvency, or Business Failure

by Martin F. Roth

Tools to predict potential business distress are outlined in this paper including general business indicators such as high employee turnover and declines in a firm's customer base, and financial flags such as poor record keeping and declining sales. Financial ratios such as the current ratio and debt to capital are also reviewed in this paper. Additionally, more elaborate statistical prediction models, for example, the Altman Z Score Model, are presented. The article discusses the importance of a proactive approach to identifying potential financial stress (i.e., bankruptcy and insolvency) and suggests ways in which the Service can incorporate techniques taken from the fields of finance and accounting. The Appendix to this article contains hypothetical case examples of these techniques.

Introduction

BANKRUPTCY! This term - although a legitimate legal tool in applicable cases - often connotes uncertainty, fear and nervousness among creditors, stockholders, employees and the general public. Bankruptcy filings are complex, often time consuming, and - with approximately 900,000 new filings in 1994 - have an increasing relevancy for our country's economy and tax compliance system.

In this article, a total of 48 different conceptual and applied quantitative and qualitative techniques, derived from both accounting and finance, will be presented. These techniques can assist the Internal Revenue Service to anticipate potential bankruptcies, insolvencies and other financial distress conditions.

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Key Terms

Conditions involving financial stress are similar but distinct. A bankruptcy is a legal term in which the petitioner is seeking relief to cancel or restructure debt owed to creditors under the terms and conditions specified by a U.S. Bankruptcy Court. There are different types of bankruptcy filings, most prominently Chapter 7 (liquidations), Chapter 11 (reorganizations) and Chapter 13 (individual wage earner debtors). Creditors must file timely Proofs of Claim with the Court to be considered as a secured, priority or non-priority creditor. Such designations establish the creditor's claim for payment against the petitioner, subject to the Court's determination as to authenticity and finalized payment amounts.

An insolvency is defined in Internal Revenue Code (IRC) Section 108(d)(3) as the excess of liabilities over the fair market value of assets, as determined immediately before any discharge. Many insolvencies subsequently become bankruptcies, and are thereupon governed by the bankruptcy statutes, but insolvent debtors may also engage in nonjudicial or non-bankruptcy state or federal judicial avenues to cancel/restructure debt.

By qualifying as a bankruptcy or insolvency, various income tax applications occur. For example, bankrupt or insolvent taxpayers in most circumstances represent exceptions to the usual provision that cancellation or forgiveness of debt by creditors must be included in the corresponding debtor's gross income (see IRC Section 108(a)(1)). To temper the results of this provision, IRC Section 108(b) requires the bankrupt or insolvent party to reduce tax attributes (such as net operating losses and carryovers, tax credits, net capital losses, basis, etc.) by the amount of excluded cancellation of indebtedness income. The reduction in tax attributes will serve to increase the taxpayer's potential tax liability in subsequent years. There are numerous other technical issues involving bankruptcies and insolvencies which are beyond the scope of this article. The complexity of technical issues involving bankruptcies and insolvencies adds to the need to identify and utilize financial and accounting tools to anticipate such cases.

Bankruptcy and IRS' Dual Mission

Maintaining effective bankruptcy program controls is an IRS priority, since the Service's responsibilities often encompass a "dual mission" as both a creditor (to submit Proofs of Claim for unpaid assessments and other balances) and compliance agency (regarding tax return filings, examinations, notifications, etc.). In addition, each type of insolvency condition has unique legal and procedural characteristics which compounds IRS' monitoring difficulties. The IRS will maintain a stronger position in its examination and collection functions, however, through adoption of a proactive strategy which identifies taxpayers' potential financial distress prior to a bankruptcy filing or insolvency. Such identification will facilitate coordination among Revenue Agents, Revenue Officers, District Counsel Attorneys and the taxpayer, trustee or other parties; assist in IRS' inventory management decisions, including case assignments, surveys, and return requisition; improve the prioritizing of examinations by the group manager and examiner; and ensure that all technical and procedural rules, including compliance with Proof of Claim deadlines and post-bankruptcy tax accounting issues, are timely addressed.

Index to Techniques Considered

For reference, a summary of the technique categories utilized, and each category's index numbering system, for the 48 techniques to be presented is as follows:

TECHNIQUE CATEGORY
CATEGORYINDEX

DESCRIPTIVE BUSINESS FLAGS (16 TECHNIQUES):

General Business Flags	A - H
Financial Flags	I - P

RELEVANT FINANCIAL AND ACCOUNTING RATIOS (20 TECHNIQUES):

Asset Management Ratios	1 - 7
Debt Management Ratios	8 - 12
Profitability Ratios	13 - 20

BANKRUPTCY/BUSINESS FAILURE PREDICTION MODELS (12 TECHNIQUES):

Ratio Combination Tools	I - VI
Statistical Prediction Tools	VII - XII

How Predicting Financial Stress Could Benefit Tax Administration

Recommendations on how the IRS can further incorporate the 48 techniques within its examination and collection programs are as follows:

- Utilize the appropriate techniques in IRS' returns classification process as well as in pre-examination planning and during examinations. The long time frames often encountered before Court resolution in a bankruptcy filing, estimated as approximately two years for an average bankruptcy case (Daily, 1994), supports this recommendation.

- Incorporate the applicable techniques within the Service's Discriminant Function System (DIF), Integrated Data Retrieval System (IDRS), and Audit Information ManagementSystem (AIMS). Specifications of the Bankruptcy Reform Act of 1994 enhance this recommendation's value. Under the Reform Act's provisions, which amend Section 106 of the U.S. Bankruptcy Code, governmental agencies are potentially responsible to pay monetary damages if they initiate various premature or unauthorized compliance actions against a debtor in bankruptcy relief (Gerson, 1994, p. 1).

- Initiate research projects to adapt or extend these financial and accounting techniques. To enhance IRS' bankruptcy and related compliance programs, this process should include consideration toward identifying and developing additional qualitative and quantitative measures that can be incorporated within IRS' computer systems and the appropriate Examination and Collection Division case techniques and other Internal Revenue Manual sections.

Predicting Financial Stress: Descriptive Business Flags

Analysis of the relevant literature in finance and accounting, supplemented by consideration to specific case situations, help to identify the adverse business and financial

flags which commonly predate insolvency or bankruptcy. The first of these categories, General Business Flags, includes such circumstances as firms with a declining customer base or companies in industries with high failure rates. The second category, Financial Flags, involve situations that may be identified by examining a firm's financial statements and accounting records. Useful references for readers' attention are Hiam, 1990, p. 16; Jo, 1994, p. E1; Lussier, 1995; and Shim, Siegel, and Simon, 1986, p. 54.

General Business Flags

(A) - Presence in an industry, particularly for a young or small company, with a higher than average failure rate or significant direct or indirect competition.

(B) - Extension into business areas unrelated to the firm's basic business, particularly when this extension is undercapitalized and the firm's traditional business is declining.

(C) - Initiating a business for products or services that are in the introductory or mature market phases, particularly during an economic recession or inflation.

(D) - Companies in cyclical or recently deregulated industries, or firms dependent on one or a few products or customers.

(E) - High management or employee turnover, including outside independent attorneys and accountants.

(F) - Significant legal actions against the firm or a pattern of negative feedback concerning the firm from competitors, customers and creditors.

(G) - Declines in the firm's customer base and capital improvements, technological innovations and future business plans are delayed or canceled.

(H) - Death or resignation of a key executive accompanied by some of the other indicated flags.

Financial Flags

(I) - Pattern of generally incomplete accounting, record keeping and internal business controls.

(J) - Earnings, profit margin, cash flow and working capital decline, especially when results were unanticipated or worse than projected.

(K) - Inability to effectively control current costs and meet payment commitments for accounts payable, other expenses, and interest and principal on outstanding debt.

(L) - Inability to get reasonable additional financing, including from company owners, or debts are refinanced at higher interest rates and with more restrictive terms.

(M) - Declining sales, particularly when beyond projections, or the loss of a major customer.

(N) - Increased bad debts from customers or unpaid loans receivable, particularly from parties in the same industry or affected by similar economic conditions.

(O) - Product inventories increase at a faster rate than sales growth, particularly when unsold inventory involves technologically obsolete or perishable products.

(P) - Restructuring options, including mergers or acquisitions, become limited due to above indicated business flags.

The general business and financial conditions noted above are often chronic. In an analysis of bankruptcy filings, Preis (1982) indicated that deterioration in a firm's financial position was often found to take place for a period of five years prior to bankruptcy. When an IRS examiner notes any of the above conditions, detailed analysis of financial statements through financial and accounting ratios is the recommended next step.

Financial and Accounting Ratios

Financial ratios provide quantification and objective analysis of the qualitative flags of financial distress noted above. Several types of ratios - Asset Management, Debt Management, and Profitability Ratios - will be presented in this section. To strengthen the reliability and accuracy of the results, IRS examiners and other readers are urged to employ several, rather than a single, ratio over two or more successive years complemented by related industry and economic factors and trends. The relevant key ratios, calculated generally from balance sheet and income statement data, are the following (also see Arens and Loebbecke, 1984, pp. 205-216); Campsey and Brigham, 1989, pp. 149-168; Costales, 1979, pp. 37-40 and 95-98; and Fess and Warren, 1987, pp. 874-906).

Asset Management Ratios

Asset management ratios include the following:

(1) - Current Ratio:
- Current Assets/ (Divided By) Current Liabilities

(2) - Acid Test Ratio:
- Current Assets - (Minus) Inventory / Current Liabilities

(3) - Prompt Liquidity Ratio:
- Cash + (Plus) Accounts Receivable / Current Liabilities

(4) - Average Collection Period:
- Accounts Receivable X (Times) 360 days/Sales

(5) - Inventory Turnover:
- Cost of Goods Sold/Average Inventory

(6) - Fixed Assets Utilization:
- Sales/Fixed Assets

(7) - Total Assets Utilization:
- Sales/Total Assets

Debt Management Ratios

Analyses of debt structure, composition and relative amounts are of fundamental importance when considering firms with potential financial stress characteristics. Costales (1979, p. 39) has written that "In almost every approaching bankruptcy, total debt will substantially exceed tangible net worth."

(8) - Debt to Capital Ratio:
- Liabilities / Capital
- Current Liabilities / Capital
- Long-Term Liabilities / Capital

(9) - Assets to Debt Ratio:
- Assets / Liabilities
- Current Assets / Current Liabilities
- Fixed Assets / Long-Term Liabilities

(10) -Debt Account Analysis:
- Short-Term Liabilities / Long-Term Liabilities
- Unsecured Bonds/Secured Bonds
- Subordinated Debts/Liabilities
- Convertible Bonds/Liabilities
- Convertible Bonds/Capital

11) -Times Interest Earned:
- Earnings Before Interest and Taxes/ Interest Charges

(12) -Fixed Charge Coverage:
- Pre-Tax Earnings + Interest + Lease Payments / Interest + Lease Payments

Profitability Ratios

The following ratios help focus on the strength of a company's earnings results. As Campsey and Brigham (1989, p. 160) indicated "profitability ratios show the combined effects of liquidity, asset management, and debt management on operating results."

(13) -Return on Total Assets:
- Net Profit After Taxes/Assets

(14) -Return on Capital:
- Net Profit After Taxes/Capital

(15) -Profit Margin on Sales:
- Net Profit After Taxes / Sales

(16) -Impact of Bad Debts on Profits:
- Bad Debts/Accounts Receivable
- Bad Debts/Sales
- Bad Debts/Net Profit After Taxes

17) -Operating Earnings Power:
- Net Profit Before Interest and Taxes/ Assets
- Net Profit Before Interest and Taxes / Sales
- Net Profit Before Interest and Taxes/ Capital

(18) -Earnings Per Share of Common Stock:
- Net Income - Preferred Dividends/ Common Shares Outstanding

(19) -Price to Earnings Ratio Per Share of Common Stock:
- Market Price Per Share (when available)/ Earnings Per Share

(20) -Dividends Per Share of Common

Stock:

- Dividends Paid / Common Shares Outstanding

Financial ratio exercises are enhanced by incorporating various interrelated steps within the analysis. A number of ratios, rather than a single ratio, should be calculated, and footnotes to financial statements are to be reviewed carefully to identify relevant events affecting the company. The use of horizontal analysis (a comparison of yearly results, preferably over several years) will strengthen and complement the detailed analysis of a company's annual financial statements (called vertical analysis). In addition, since the book values used as part of generally accepted accounting principles report historical costs that may not adequately reflect an account's current value, a supplementary analysis of the company's Source and Applications of Funds Statement and other available information may provide insight on the current fair market values of investments, fixed assets (such as real estate), intangible assets (such as patents, copyrights and trademarks) and other accounts. Comparisons of company results with competitor, industry and locality data and trends (such as profitability, product market share information, debt composition and proportion to equity, etc.) will further strengthen the use of ratio analysis.

Bankruptcy/Business Failure Prediction Models

Numerous techniques have been developed to extend the above, and related, financial and accounting ratios into methodologies for predicting a company's potential financial distress. The techniques introduced in this section are divided into two categories, Ratio Combination Tools and the more precise Statistical Prediction Tools. These techniques are often complex, since mathematical formulas may be required to help convert current and historical financial data into resources for predicting future possible events. To expedite and ensure accuracy in the calculations, some readers may choose to utilize the various techniques within a statistical computer program. Alternatively, readers may prefer not to perform the calculations but to refer to this information to supplement the Descriptive Business Flags and Financial and Accounting Ratios previously discussed in this article.

Ratio Combination Tools

The following methodologies combine financial ratios to profile a company's relative financial strength (also see Chung, 1994; Hiam, 1990, pp. 24-29 and pp. 39-43; Siegel, Shim and Hartman, 1992, pp. 253-255; 323-324; and Tursman, 1994).

(I) - Commercial Credit Matrix: This tool combines and compares results of the current, acid test, cash, equity/debt, and return on equity ratios to determine credit line policies.

(II) -Quality of Earnings: This calculation converts a company's annual earnings results to anticipated norms, as extraordinary or other unusual account amounts for the year are increased or decreased based on industry averages or the company's historical experiences. The resulting Quality of Earnings calculation equals reported net income, + (plus) items unrealistically deducted from earnings, - (minus) items unrealistically added to earnings.

(III)-Wilcox's Prediction Formula: This formula is used to measure a company's solvency by calculating its liquidation value. The liquidation value equals the following:

Cash + marketable securities at market value
Plus: Inventory, accounts receivable, and prepaid expenses at 70% of book value
Plus: Other assets at 50% of book value
Minus: Current liabilities and long-term liabilities

(IV) -Ernst Growth/Liquidity Analysis: This formula modifies standard balance sheets to produce a more meaningful analysis of trends in liquidity and invest ments in growth-producing assets. Ideally assisted by graphs, the calculation adds inventories with long-term assets as an indicator of long-term growth, then subtracts current liabilities and long-term debts from financial assets to measure operating liquidity. The account values, analyzed over several years, are compared to competitors' results.

(V) - Valuation Factor Matrix: This model helps to evaluate a company's performance through a calculation which divides its costs of capital into the company's earnings power. For this formula, the cost of capital is the weighted cost of all funds in the business, with alternative presumed values plotted on a graph. The earnings power component represents operating income X (times) the company's tax rate / (divided by) assets at risk in the company.

(VI) -Credit Risk Scoring System: This system calculates, then combines and scores, the following variables: Altman Z Score; Commercial Credit Matrix; cash flow; lawsuits and other derogatory company information; bank information; economic/political conditions; and company, outside credit agency, and trade group day sales outstanding (commonly called DSO). Day sales out-

standing represents the average total receivables / (divided by) credit sales x (times) the number of days in the period being considered.

Statistical Prediction Tools

This category of financial techniques, often grounded in discriminant function analyses, provides more precise data than the Ratio Combination Tools for predicting potential bankruptcies, insolvencies and financial distress. The Altman Z Score is the best known of these techniques, with most of the other models representing direct or indirect extensions of the Altman model's concept.

(VII)-Altman Z Score Model: This technique has been termed the "most widely and consistently referenced and used to date by both researchers and practitioners" (Coats and Fant, 1993). The Altman model, utilizing a multiple discriminant function analysis, provides a scoring range of bankruptcy potential after application of Altman's formula to the specific case. The scoring ranges are as follows: 1.80 or less, very high probability of bankruptcy; 1.81 to 2.7, high probability; 2.8 to 2.99, possible probability; and 3.0 or higher score, unlikely probability. The Altman formula is as follows (also see Altman, 1968; Altman, 1983; Jo, 1994): Working capital divided by total assets multiplied by 1.2; + (plus) Retained earnings divided by total assets multiplied by 1.4; + (plus) Operating income divided by total assets multiplied by 3.3; + (plus) Sales divided by total assets multiplied by 0.999; + (plus), for publicly traded companies, Market value of common and preferred stock divided by total debt multiplied by 0.6.

(VIII)-Emerging Market System (EMS) Model: This new tool, recently introduced, builds on the Altman Z Score Model to assess the credit failure risk of emerging market corporate bonds. The EMS Model considers such company features as market share, access to bank financing, and foreign exchange fluctuation vulnerability, as well as economic data from the countries in which the company is principally based (see Institutional Investor, Inc., 1995).

(IX) -Zavgren Model: This technique calculates a series of seven financial ratios, with each ratio being associated with a bankruptcy prediction model coefficient. The seven ratios, and each ratio's model coefficient, are as follows: Inventory Turnover (coefficient of .00108); Receivables Turnover (.01583); Cash Position (.10780); Short-Term Liquidity (-.03074); Return on Investment (-.00486); Financial Leverage (.04350); and Capital Turnover (-.00110).

(X) -Risk Assessment Model for Small Business Borrowers: This model determines probability functions to assign default risk rating scales for small business loans by utilizing logistic regression analysis applied to key financial ratios (McNamara and Bromiley, 1993). The significant ratios for this model are leverage (measured by net worth divided by total assets), profitability (profit before interest and taxes divided by total assets), and collateral margin (net working capital divided by total assets). Alternative risk rating scales, calculated either on two levels (problem or nonproblem loans) or four levels (gradations of loan risk), are then utilized to predict the probability of loan defaults within one and two years.

(XI) -Computerized Credit and Collection Software: A variety of computerized systems are available to facilitate identification, and follow-up actions, for credit and collection risks. For example, the Decision Manager system (Sullivan, 1992, p. 3) offers four generic scoring models (credit union model, bank revolving and installment models designed for commercial banks, and retailing model developed for department and similar stores). Other models utilized by banks and credit bureaus evaluate such factors as "the customer's outstanding balance in relation to available credit, the number of current accounts an individual has the customer's usage patterns and payment history, and the types of credit that the individual prefers" (American Bankers Association, 1990). In addition, the American Management Association's Computer Assisted Collection System (Jaben, 1987, p. 92) helps to evaluate an account's current status, credit history, related credit bureau and other information, and it automatically generates collection reminder and similar letters. These type of computerized tools are especially useful as flags for potential individual and small business bankruptcies.

(XII)-Macroeconomic Focus Models: Various studies have concentrated on the impact of macro economic conditions in influencing potential bankruptcy filings. Findings by Rose, Andrews and Giroux (1982) identified nine economic variables that significantly related to bankruptcy rates. These variables are the Dow Jones Industrial Average; national unemployment rate; profits after tax to income originating in corporations; corporate bond interest for top rated (triple A) bonds; free reserves; gross savings; change in total business investment; average output per hour; and new orders of durable goods. As an additional factor, Moore (1990) identified the need to consider state as well as national economic data as influences on bankruptcy filings.

Limitations and Uses of Models

The Statistical Prediction Tools and Ratio Combination Tools provide a variety of conceptual and applied methodologies that are available for use by creditors, the potential debtor, and other parties. Interested users should be cognizant, however, that bankruptcy prediction scores and ratios are best viewed as a long-term warning system rather than as a specific predictor. For example, the Altman model, the best known and most commonly tested, is more useful for manufacturing than for service companies and has been determined to be "about 90 percent accurate in forecasting business failure one year into the future and about 80 percent accurate in forecasting it two years into the future" (Siegel, Shim and Hartman, 1992, p. 327). Readers should also recognize that a potential debtor may initiate corrective actions to reduce or eliminate the anticipated financial distress conditions. Economic or industry turnaround can also help ameliorate the debtor's otherwise expected financial distress.

In utilizing the Statistical Prediction Tools and Ratio Combination Tools, the types of debtors whose financial distress situations can be evaluated through each technique should be identified. Many of the techniques are particularly suitable for analyzing financial distress in business operations, including proprietors filing Forms 1040 with Schedule C (Profit or Loss from a Business), Schedule E (Supplemental Income and Loss), and/or Schedule F (Profit or Loss from Farming). These business-oriented techniques are as follows: Wilcox's Prediction Formula (Item III); Valuation Factor Matrix (V); Credit Risk Scoring System (VI); Altman Z Score Model (VII); Zavgren Model (VIII); Emerging Market System Model (IX), and Risk Assessment Model for Small Business Borrowers (X).

The remaining Statistical Prediction Tools and Ratio Combination Tools noted in the above analysis are pertinent in identifying financial distress prospects for investors and other individual taxpayers, as well as in business-based situations. The Quality of Earnings technique (Item II), and Ernst Growth/Liquidity Analysis (IV) are relevant to both businesses and investors filing Schedule D (Capital Gains and Losses) on Form 1040. The Commercial Credit Matrix (Item I), Computerized Credit and Collection Software (XI), and Macroeconomic Focus Models (XII) are pertinent in identifying and appraising financial distress for individual taxpayers with significant itemized deductions (Schedule A, on Form 1040), and/or individuals or businesses with large other expenses/liabilities as compared with income/assets.

Conclusions

In this article, 48 qualitative and quantitative accounting and financial techniques were presented to help predict potential financial stress conditions, including bankruptcy and insolvency. For readers' assistance, the 48 techniques are applied to case scenarios in the following Appendix.

The Internal Revenue Service, with its "dual mission" as both a prospective creditor and compliance agency in bankruptcies and charged with additional complexities through insolvency cases, should carefully appraise its program to determine the usefulness of incorporating some of the 48 techniques, and/or appropriate modifications or extensions, within its Examination and Collection Division operations. The significant number of cases in bankruptcy and the substantial assets involved, estimated as totaling over $133 billion in 1991 and 1992 (Daily, 1994) for the less than one percent of bankruptcy filings involving publicly-held corporations, confirms the need for the IRS' continuing vigilance and proactive strategies in the bankruptcy/insolvency arena.

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Appendix: Case Scenarios

In this Appendix, readers can apply the 48 techniques to three case scenarios. Although some of the techniques are pertinent to two or three of the scenarios, for this exercise each technique is applied to one scenario only. The scenarios were devised by this article's author and do not reflect actual companies.

A.B.C COMPANY: This company, established for many years, has been a leading retailer of typewriters in its community. The company expanded in the early 1990s to sell desktop computers, but did not sell software or sufficiently train its staff on computer operations and thus failed to attract many customers from neighboring computer specialty stores. Meanwhile, A.B.C. Company built large inventories of product lines which subsequently became outdated, but it canceled plans to buy laptops or other newer computer models since its credit lines were exhausted by its initial expansion into computers. The company is marginally profitable, due to a reduction in advertising expenses and through income earned by its long-standing service contracts to repair customers' typewriters, but profits and cash flow declined substantially in recent years. The company's owners plan to continue to operate as an independent business, but have searched out possible merger partners who submitted bids and terms which A.B.C 's owners deemed to be grossly inadequate.

PRINCIPAL RELEVANT TECHNIQUES FOR A.B.C. COMPANY ARE:

Descriptive Business Flags: A, G, J, O, P

Relevant Financial and Accounting Ratios: 2, 3, 5, 15,

Bankruptcy/Business Failure Prediction Models: III, IV, IX

M.N.O. Company: This company, a supplier/manufacturer in the energy industry, has suffered reduced sales as its customer base declined due to economic trends in the industry and community in recent years. Anticipating an industry turnaround, the company assumed significant long-term debt at high interest rates to expand production capacity and formed a partnership with an overseas company which would give M.N.O. access to new markets. Subsequently, the company's overseas partner sued M.N.O. Company when M.N.O. could not meet its capital commitment to the partnership as a result of increased bad debts on M.N.O.'s receivables. The company, as expected, had losses the last two years, but recently sold its largest and best known subsidiary to raise cash which M.N.O. will use to make partial payments to the overseas partnership, explore additional international expansion, timely pay interest on its convertible bonds, and maintain dividend rates on its common and preferred stock. The loss of the sold subsidiary's contributions to sales and profits will significantly reduce the company's financial strength in the near term. The anticipated time frames until earnings are realized from the company's overseas partnership and other new and possible investments appears uncertain.

PRINCIPAL RELEVANT TECHNIQUES FOR M.N.O. COMPANY ARE:

Descriptive Business Flags: B, C, F, N

Relevant Accounting and Financial Ratios: 4, 6, 8, 10, 11, 14, 16, 18, 19, 20

Bankruptcy/Business Failure Prediction Models: I, VI, VII, VIII, X, XI

X.Y.Z. COMPANY: This company, in existence thirty years, is managed by Mr. X.Y.Z., Jr. The company operates a construction firm, leasing some equipment on long-term contracts to supplement its own older equipment. The company has been dependent on several key customers, but declines in local housing and office space needs, and X.Y.Z. Company's release of several experienced company salesmen, reduced the amount and proportion of these key customer contracts. The decline in business from recurring customers, and the recent retirement of Mr. X.Y.Z., Sr., the company's founder, also increased the company's perceived risk to commercial lenders. X.Y.Z. Company has offered new customers substantial discounts which reduced profit rates per contract, but high company overhead and inadequate cost controls offset the sales gains resulting from these new contracts. The X.Y.Z. family has given various loans and invested additional capital in the company, but Mr. X.Y.Z., Sr.'s retirement and Mr. X.Y.Z. Jr.'s family responsibilities and his ownership in another, unrelated company will prohibit additional family funds in the foreseeable future.

PRINCIPAL RELEVANT TECHNIQUES FOR X.Y.Z. COMPANY ARE:

Descriptive Business Flags: D, E, H, I, K, L, M

Relevant Accounting and Financial Ratios: 1, 7, 9, 12, 13, 17

Bankruptcy/Business Failure Prediction Models: II, V, XII

Abstracts

Elaine Bame

Increasing Compliance in the Paid Preparer Community

September 1994

Compliance 2000 Team
Brooklyn District

Some paid tax preparers may not be filing in a timely manner.

A sample of 379 of the 9,498 individual income tax preparers who prepared individual income tax returns in Calendar Year 1991 revealed that 12% did not file their own income tax returns in one or more years. Of the sample, 8% filed late (including those filing later after extensions).

Nonfilers were contacted and delinquent returns were secured. Referrals of 17 nonfiling CPAs and Enrolled Agents were made to the IRS Director of Practice. Nonenforcement techniques used to secure returns included: a news release, speeches at practitioner seminars, and articles for practitioner newsletters.

Elaine Bame

Impact of Correct Taxpayer Identification Information on Form 1099-MISC Compliance

September 1994

Compliance 2000 Team

Brooklyn District and Brookhaven Service Center

When the taxpayer's TIN was not on the Form 1099, the compliance level was less than half of the correctly completed Forms 1099.

A team composed of employees of the Brooklyn District and Brookhaven Service Center conducted a Compliance 2000 Prototype study on the compliance rate for individuals who received real estate tax rebates from a suburban New York county. The county paid $28 million in real estate tax rebates and related interest in 1990; in 1991 the payments also totaled $28 million. The total payments made by the county increased substantially to $45 million in 1992 and $53 million in 1993. In 1990, the county issued a Form 1099-MISC for the amount of the rebated real estate tax and a separate Form 1099-INT was issued for the interest of $10 or more paid on the rebate. In succeeding calendar years, the county issued only Forms 1099-INT for interest payments.

A very high compliance rate was expected for 1990 because Form 1099-MISC information returns were filed with IRS by the county. However, after extensive research and taxpayer contact, only 45% of our sample of individual recipients properly reported the rebates. Further research into the county's rebate process revealed that the county routinely accepted rebate claims filed by attorneys and other agents on behalf of their real property owner clients and many of the Forms 1099 (MISC and INT) contained the TIN and address of the attorney rather than the property owner. This resulted in the county mailing the Forms 1099 to the attorneys' (agents') addresses.

Of the Forms 1099 mailed to taxpayers with the taxpayer's TIN, the compliance rate was 76%. Of those mailed to an attorney or agent with the taxpayer's TIN, only 70% were compliant. Of the Forms 1099 mailed to an attorney or agent with the attorney's/agent's TIN, only 31% were compliant. Thus, when the taxpayer's TIN was not on the Form 1099 and it was not mailed directly to the taxpayer, the compliance level was less than half of the correctly completed and mailed Forms 1099.

David Browne
Jean Kluttz

Ensuring Compliance Focus Group Report

January 1995

Value Tracking Core Business System
Management and Administration

Knowledge and understanding of the collection and examination processes was uneven. Fines, penalties, and interest on past due taxes were an important issue for almost all of the participants.

A series of eight focus groups assessed taxpayer understanding, expectations, and suggestions regarding contact with the IRS. The focus of the groups was on taxpayer perceptions and understanding of the collection and examination processes. This effort supports the objective of the Chief Compliance Officer to measure compliance behavior, identify noncompliance, and determine root causes. Knowledge and understanding of the collection and examination processes was uneven. Some members of the groups had experienced the collection or examination processes directly. Of those who had not had direct experience, much of what they knew was based on second hand information or media coverage. Highly visible cases, such as Leona Helmsley, were well known but the participants had a wide variety of reaction -- both positive and negative -- to the cases. Fines, penalties, and interest on past due taxes were an important issue for almost all of the participants in all eight groups. Almost all of the participants felt the fines, penalties, and interest were excessive and should no longer accrue once the delinquent taxpayer began cooperating with the IRS.

Alexander DeGennaro
Peter Cutrin

Analysis of Excise Tax Filers of Aircraft Related Taxes

September 1994
Excise Tax Group
District Office Research and Analysis
Brooklyn District

A sample of taxpayers included in non-commercial aviation in the Brooklyn District reveals that forty percent (40%) of taxpayers liable for the excise tax on aviation gasoline were not filing returns or paying the tax.

A sample of 398 potential taxpayers involved in noncommercial aviation who had registered aircraft exceeding 6,000 pounds revealed a high degree of noncompliance in the area of the retail tax on aviation gasoline.

The sample included all business entities with potentially taxable fixed wing or rotary wing aircraft registered with the FAA in the Brooklyn District. The analysis covered the period January 1, 1990, through December 31, 1990.

Internal Revenue Code Section 4041 imposes a tax of $0.01 per gallon ($0.03 prior to 12/1/90) on the seller or user of gasoline consumed in noncommercial aviation. An analysis of the sample revealed that approximately 40% of the retailers liable for the excise tax on aviation gasoline had not filed Form 720, Quarterly Federal Excise Tax Return or paid the tax due.

A similar analysis of commercial aircraft taxes on the transportation of persons or property by air, international travel and aviation jet fuel showed that approximately 98.5% of all required returns were filed in these excise tax categories.

Edward F. Emblom

A Study of the Feasibility of the IRS Collecting Repayments of Federal Student Loans

January 1996

Economic Modeling and Analysis
Research Division

The Departments of Treasury and Education reported to Congress that it is not feasible to expand the participation of IRS in the collection of student loans.

The Conference report accompanying the Student Loan Reform Act of 1993 (Title IV of the Omnibus Budget Reconciliation Act of 1993) directed the Departments of Treasury and Education to study the feasibility of implementing a wage withholding system for repayment of student loans and otherwise involving the Internal Revenue Service in servicing and collecting student loans.

Four options were developed, analyzed, and evaluated: (1) IRS to establish a separate student loan operation including a mandatory wage withholding system, outside the tax system, for the receipt of student loan repayments; (2) IRS to use the tax system to collect loan repayments for borrowers electing wage withholding while Education collected all other repayments; (3) Education to administer all aspects of the loan programs (including the establishment of a voluntary employer withholding system) with IRS providing additional information to enhance Education's collection capability; and (4) Education to carry out all loan functions including establishing a mandatory wage withholding for firms with ten or more employees.

Treasury and Education reported to Congress that it is not feasible to expand the participation of the IRS in the collection of student loans. Further, the Departments also concluded that the Department of Education should continue to administer all aspects of the student loan program, as described in Option 3. Option 3 meets the customer service goals by giving borrowers rapid access to account information and allowing them the flexibility to switch repayment plans. It does not have the drawbacks of other options, such as overtaxing IRS resources and decreasing tax collections. Voluntary employer participation would minimize regulatory burden. Finally, this option would add no additional budget costs.

Joel B. Friedman

Early Intervention Contact Project

December 1995

National Office Collection Reengineering Project Office
District Office Research and Analysis
Pacific - Northwest District

Taxpayers with certain characteristics are most likely to be responsive to a telephone call.

The National Office Collection Reengineering Project Office conducted a study to determine the effectiveness of a telephone outcall program which was initiated in lieu of mailing the balance due third notice. The telephone outcall was initiated at about the same time that the balance due third notice would have been issued. The telephone outcall test program was most effective, as measured by the percentage of the liability collected, on taxpayers with the following characteristics:

For Individual Tax Returns:

1) The balance due delinquency is not the result of a delinquent (late filed) return;
2) Taxpayer voluntarily filed a return with tax owed;
3) Taxpayer filed a Schedule C and/or F with the balance due return;
4) Return was not prepared by the IRS Substitute for Return procedures;
5) Taxpayer had no other discrepancies in delinquent account or delinquent return status; and
6) Balance due delinquency was on a current tax period.

For Business Tax Returns;

1) Delinquent accounts caused by a return filed with a simple balance due;
2) Form 1120 amounts greater than or equal to the U.S. median on the following measures: net receipts, total income, and taxable income;
3) Form 941 gross receipts greater than or equal to the U.S. median;
4) Corporations and sole proprietors versus other types of businesses (e.g., partnerships);
5) Forms 1120 and 941 versus other return types;
6) Taxpayers with a power of attorney;

Mary-Helen Risler

Federal Tax Compliance Research: Gross and Net Employment Tax Gap Estimates for 1984-1997

October 1993

Economic Analysis and Modeling Group
Research Division

Research Division estimates a $39 billion tax year 1992 gross taxgap for social security, Medicare, and federal unemployment insurance taxes at $39 billion, of which the Internal Revenue Service expects to recover an estimated $5 billion through subsequent enforcement.

This report presents the Internal Revenue Service's (IRS's) first employment tax gap estimates. Using tax gap concepts analogous to those presented in previous income tax gap reports and employing a similar estimation methodology, the Research Division estimates that the tax year 1992 gross tax gap for social security, medicare, and federal unemployment insurance taxes is $39 billion. This corresponds to an estimated noncompliance rate - defined as the gross tax gap as a percentage of "true" tax liability - of 11.2 percent. IRS expects to recover an estimated $5 billion of the unpaid tax through its enforcement activity, leaving a net employment tax gap of $34 billion for tax year 1992.

The report provides gross gap, enforcement revenue, and net gap estimates for tax years 1984 through 1997.

James Russo

Allowable Living Expenses Project

September 1995

Allowable Living Expense Project Team
District Office Research and Analysis
Kentucky - Tennessee District

The project team conducted a test to determine the relationship between the proposed local standards and the actual expenses for housing and utilities and transportation.

Using commercially available Census and Consumer Expenditure Survey data as inputs, the project team developed a methodology to create local standards at the county level for allowable housing and utility expenses. In addition, the project team utilized Consumer Expenditure Survey data to develop transportation standards by region of the country and metropolitan statistical area. These standards were implemented in September 1995 and are used by collection personnel when evaluating what course of action to take on taxpayers with delinquent accounts.

The project team conducted a test to determine the relationship between the proposed local standards and the actual expenses for housing and utilities and transportation. The team reviewed and analyzed 120 individual financial statements (Form 433A) from the Albany, Detroit, Fort Lauderdale, and Seattle Districts. Results indicate:

- 63.9 percent of the taxpayers who had mortgages had actual housing and utility expenses exceeding the local standard expense developed for taxpayers with mortgages.
- 73.6 percent of the taxpayers who rented had actual housing and utility expenses exceeding the local standard expense developed for taxpayers who rented. 94.7 percent of the taxpayers who rented with family sized greater than two had actual housing and utility expenses exceeding the local standard expense.
- 37.1 percent of the taxpayers had actual monthly transportation expenses that exceeded the allowable transportation expense.

The Project Team will be developing a tracking system to monitor payment, disposition, and compliance trends on taxpayers placed under the new standards.

Jason J. Fichtner

Estimates of New Form 1040T that could be Filed in CY 1997.

November 1995

Projections and Forecasting Group
Research Division

Estimates indicate that 21,606,00 taxpayers would choose to file a Form 1040T in CY 1997, climbing to 22,600,500 filers in CY 2002.

At the request of the Tax Forms Publications Division and Submission Processing, Research Division staff developed estimates of filers potentially eligible to file the new "Form 1040T" under consideration.

Based on criteria provided by Tax Forms Publications Division, data from the Statistics of Income Division (SOI) TY 1993 Individual/Sole Proprietor file was analyzed to determine the number of paper Forms 1040 and 1040A that would be eligible to file Form 1040T. These results were then extrapolated to the estimated volumes of taxpayers who would actually file the Form 1040T in 1997 through 2002. Since Form 1040T is a paper return, these extrapolations were largely influenced by associated projections of electronically filed individual returns.

The estimates indicated that virtually all of the taxpayers currently filing a paper 1040A (19 million in CY 1994) would be eligible to file the new Form 1040T and would do so assuming the Form 1040T simply replaces the existing Form 1040A. Additionally, our estimates show that while 18 million paper From 1040 filers would be eligible to file a Form 1040T, only 2.7 million would choose to do so. This is because a large number of current paper Form 1040 filers who are eligible to file Form 1040T also meet the present From 1040A criteria (15.3 million in CY 1994). Thus, if these Form 1040 filers currently do not use Form 1040A, we see little reason to believe they would be any more likely to use the new Form 1040T -- short of a significant program initiative in this area.

Estimates indicate that 21,606,00 taxpayers would choose to file a Form 1040T in CY 1997, climbing to 22,600,500 filers in CY 2002.

Jason J. Fichtner

Estimates of CY 1994 Paper Form 1040 and Paper 1040A Filers Who Would Meet an Expanded Form 1040EZ Scenario

November 1995

Projections and Forecasting Group
Research Division

An additional 9 million taxpayers would be eligible to file a Form 1040EZ under certain expanded criteria.

At the request of Taxpayer Service, Research Division staff developed estimates of how many additional paper Form 1040 and paper 1040A filers would have been "eligible" to file a Form 1040EZ, given certain expanded criteria.

Using data from the Statistics of Income Division (SOI) TY 1993 Individual/ Sole Proprietor file, estimates indicate that:

- An additional 8 million taxpayers would be eligible to file a Form 1040EZ if taxable income under $75,000, interest income up to $1,000, and up to 1 claimed dependent were allowed.
- An additional 9 million taxpayers would be eligible to file a Form 1040EZ if taxable income under $75,000, interest income up to $1,000, and up to 2 claimed dependents were allowed.
- An additional 7.6 million taxpayers would be eligible to file a Form 1040EZ if taxable income under $75,000, interest income up to $400 (current level), and up to 2 claimed dependents were allowed.

Note that while a taxpayer may meet the expanded criteria to file a Form 1040EZ, experience shows that not all of those who are eligible will actually file a simpler form.

Jason J. Fichtner

Estimates of Additional Forms 1040EZ to be Filed in CY 1997 via Telefile Under Expanded Filing Characteristics

June 1995

Projections and Forecasting Group
Research Division

Estimates indicate that an additional 6 million taxpayers would be eligible to file via TeleFile under expanded criteria.

At the request of Submission Processing Division, Projections and Forecasting Group estimated the additional number of taxpayers that would be eligible to file a Form 1040EZ via TeleFile if taxpayers meeting the following conditions were also allowed to file:

- Taxable income greater than or equal to $50,000
- Interest income greater than $400
- Over age 65
- Blind
- Pension Income
- Unemployment Compensation

Estimates were derived using data from the Statistics of Income Division (SOI) TY 1993 Individual/Sole Proprietor file. Those returns having the characteristics of interest were selected and their results extrapolated to reflect a CY 1997 level. Estimates indicate that an additional 6 million taxpayers would be eligible to file a Form 1040EZ. These estimates also assume that 1040EZ filers who are married, filing jointly and /or claiming the Earned Income Tax Credit will be eligible for TeleFile.

Patrice Richards
Dru DeLong

Fairness and Integrity Focus Group Report

January 1995

Value Tracking Core Business System
Management and Administration

Customer service issues were a recurring theme in taxpayers' comments on fairness, integrity and recommendations for the future.

A series of ten focus group interviews assessed taxpayers' views on the fairness of IRS processes, the integrity of IRS systems and employees, and the relationship between their perceptions on IRS fairness and compliance behavior. Two of the groups consisted of taxpayers recently subject to collection activity and two additional groups were composed of taxpayers recently engaged in the examination process. Taxpayers defined fairness in terms of five aspects of IRS: impartial and reciprocal treatment, openness, consideration of the taxpayer's situation, effective communication, and good customer service. Many participants saw a gap between the level of the fairness they expected from IRS and the level they actually received. Integrity also consisted of several aspects: honesty, character, excellence in performance, serving the public, and consistency. Roughly half the participants reported that the perception of IRS fairness had an impact on compliance. The other segment considered fairness to be an important aspect of IRS, but not relevant to their decision to comply. Overall, customer service issues were a recurring theme in taxpayers' comments on fairness, integrity, and their recommendations for the future.

Denise York Young

Sources of Form 941

September 1995

Tax Forms Marketing Analysis Program
Multimedia Production Division

The results showed that 80% of filed Forms 941 were from mail-outs, 3.5% were obtained from IRS offices or distribution centers, and 16.5% were from non-IRS sources.

Four times a year, the IRS prints and mails over 6 million packages containing Form 941 (Employer's Quarterly Federal Tax Return) at a total cost of approximately $4 million. For purposes of resource and program management, it is important for the IRS to know how many forms are used from these mail-outs. Beginning in late 1994, source codes were printed on Form 941 that showed whether the form came from a mail-out, from an IRS office or distribution center, or from a source other than the IRS.

Data were collected from the Austin and Ogden Service Centers using a systematic random sampling design of 16,000 Forms 941. Samples were obtained for the quarters ending September 30, 1994; December 31, 1994; March 31, 1995; and June 30, 1995.

The results showed that 80% of Forms 941 were from mail-outs, 3.5% were obtained from IRS offices or distribution centers, and 16.5% were from non-IRS sources (e.g., private printer, software). Of those Forms 941 from non-IRS sources, at least 38% were generated from software. This corresponds to 6% of all Forms 941. Overall, 48% of Forms 941 were handwritten. Of those Forms 941 from an IRS source (mail-out, IRS office or distribution center), 56% were handwritten; however, only 6% of Forms 941 from non-IRS sources were handwritten.

The source of Form 941 was related to total wages. The median total wages reported on Form 941 was highest for those from non-IRS sources ($14,000). The median total wages for forms from mail-outs was $11,000, and the median for forms from IRS offices or distribution centers was only $5,000.

Jeff Butler

Comparative Analysis of Pattern Recognition Methods

March 1995

Projections and Forecasting Group
Research Division

The IRS DIF is less successful than several other well-known methods of statistical pattern recognition under a different representation of taxpayer data.

Taxpayer data may be represented statistically in a number of different ways for pattern recognition purposes. For a given representation, such as a continuous or discrete distribution, there may exist one or more statistical methods that are uniformly more powerful than any other for a particular type of classification or discrimination problem. This study examined the question of whether taxpayer data can be represented as a mixture distribution, and if so, what pattern recognition methods are most effective for such a representation.

Because the majority of taxpayer data are income amounts, their distributions tend to be highly skewed, a result which violates finite sample assumptions for the class of linear statistical methods based on the normal distribution. However, these methods are uniformly most powerful in the presence of normally distributed data, and it is often advantageous to transform the data to meet this condition. The computational method used by the IRS to select taxpayers for audit, known as "DIF", attempts to do this by using the multinomial distribution as an approximation to the normal. While there are other preprocessing steps involved, this is essentially the final distributional form of the data for discrimination purposes.

This paper proposes a simple transformation of taxpayer data that results in a mixture distribution. Since mixtures are nonnormally distributed, the use of linear statistical methods for pattern recognition is inappropriate, and several nonparametric methods based on multivariate density estimation are introduced to overcome this limitation. In a series of Monte Carlo experiments, the paper compares the performance of three nonparametric density estimators against that of DIF and simple linear discriminant analysis for a variety of sample sizes and other conditions. Although DIF is less successful than all of the density estimators, it does slightly better than simple linear discriminant analysis, suggesting that it may be a more robust estimator under the presence of nonnormality than other linear statistical methods.

Helen Choi
Christine Bixon
Patricia Wagner
Bradley Malinowski

Analysis of Zip Codes for Electronic Filing in the New Jersey District

December 1994

District Office Research and Analysis
New Jersey District

Using electronic filing (ELF) penetration rates for Tax Year 1992 Form 1040 returns and aggregate 1990 Census information, we identified specific zip codes for improved marketing of ELF.

Using electronic filing (ELF) penetration rates for Tax Year 1992 Form 1040 returns and aggregate data from the 1990 Census information, specific zip codes for the expansion of ELF were identified.

The following characteristics appear to have a positive effect on ELF penetration: significant percent of low income families, significant percent of the population below retirement age, significant percent of home owners with mortgages, significant percent of mortgaged home owners with either low or high monthly expenses and predominantly urban populations.

An analysis was conducted in which zip codes that had similar demographic characteristics were grouped together into clusters. Two clusters of zip codes which have the favorable proper demographic characteristics for ELF penetration were identified. Fifteen zip codes in these two clusters, which already have high ELF penetration rates (greater than 12 percent), represent opportunities for marginal ELF improvement. Thirty seven zip codes in these two clusters, which have low or medium ELF penetration rates (less than 12 percent), represent opportunities for ELF growth. The zip code analysis provided specific market segments at which to better target marketing strategies.

Ronald L. Edgerton
John R. Smith

Electronic Filing Demographics Assist IRS Marketing of ELF

July 1996

District Office Research and Analysis
Ohio District

Zip code level profiles and colored mapping help Ohio District to better market electronic filing.

Ohio DORA, working jointly with Taxpayer Service Division, developed ELF and TeleFile demographic profiles to enable more effective marketing strategies and resource utilization. Using existing data bases for filers and commercially available demographic information, Ohio DORA provided ELF and TeleFile rates for Tax Year 1993, 1994 and 1995 demographic profiles of ELF filers, specific breakdowns by zip code, maps of major metropolitan counties and other data. Ohio DORA compressed voluminous amounts of data into visually illustrated colored county and zip code based maps.

By using this information, Taxpayer Service was better able to plan the district's outreach campaign, position VITA sites in the most advantageous locations, focus on specific market segments and make optimal use of their resources to promote electronic filing.

Chih-Chin Ho
William Wong

Statistical Imputation for IRP-Detected Proportions of Underreported Income: Methodology, Measurement, and Evaluation

December 1995
Economic Analysis and Modeling Group
Mathematical Statistics Section
Research Division and Statistics of Income Division

"Pseudo-copying" shows reasonable success for imputing IRP-related findings from timely filed returns to delinquent returns.

The 1988 Taxpayer Compliance Measurement Program (TCMP) filer data contain the proportions of underreported income that were detected with Information Reporting Program (IRP) information. These IRP-detected proportions are critical elements in our tax gap estimation. However, these proportions are not available in the secured delinquent (SD) returns in the 1988 TCMP nonfiler data. This research project provides statistical methods to impute these missing proportions from the timely filed (TF) returns, to measure modeling error and variances of the imputed proportions, and to evaluate these statistical methods on simulated variables.

This article presents two statistical methods to measure variation of the imputed proportions: balanced bootstrap and multiple imputation. It examines a procedure called "pseudo-copying", where a group of the TF returns is selected through logistic regression nearest neighbor matching to act as surrogates for the SD returns, to measure the modeling error. Finally, it applies a procedure, using balanced bootstrap on simulated variables for which the true values for the SD returns are known, to evaluate the effectiveness of pseudo-copying.

Our analysis indicates that estimates of variance from multiple imputation are slightly larger than those from balanced bootstrap. Pseudo-copying seems to have reasonable success in copying the imputation characteristics from the timely filed returns to the secured delinquent returns, but captures only a limited portion of the bias. These findings were presented at the 1994 and 1995 American Statistical Association Annual Meetings and at the International Conference on Survey Measurement and Process Quality 1995.

Harry Manaka

Strategic Information Managment (SIM) Self-Assessment

May 1995

Office of Business Transition
Office of the Associate Commissioner for Modernization

IRS executives and mangers are beginning to take responsibility for strategic business decisions involving information technology but need to focus more attention on five areas.

In March 1995, the Executive Committee decided to conduct a nationwide Strategic Information Management (SIM) self-assessment. The Modernization Executive, with the support of the Chief Officers and Regional Commissioners, assembled a team of IRS managers and GAO representatives in April and May 1995, with a cross section of 77 participants from the field and National Office.

The self-assessment was based on a GAO study that focused on how leading public and private organizations consistently applied information technology to improve mission performance. The results of the self-assessment showed that participants believe the IRS is defining its approach to managing information resources strategically. Participants concluded that:

- IRS executives and managers are beginning to take responsibility for strategic business decisions, in which information technology solutions play a part.
- Core business processes have been defined.
- High level goals have been identified.
- Business and information resources managers are defining their respective roles and responsibilities.

In order to fully institutionalize SIM within three to five years, the nationwide self-assessment provided recommendations for action in the areas of:

- Ownership/Accountability - The business side of the IRS must assume primary ownership and accountability for SIM, and the support components must assume a shared accountability for delivery of the business vision.
- Infrastructure - The IRS must build an infrastructure through the use of broad Information Resources Management national standards.
- Investment Strategy - The IRS must develop and consistently use an investment strategy that links the planning, budgeting, programming, and evaluation processes for information resource investments.
- Measures - The IRS must develop and use measures that directly support the three corporate objectives.
- Communications - The IRS must base communications about SIM on a well defined strategy determined by what internal and external customers know, what they do not know, and what they need to know to meet their requirements.

Joseph Paci
Janice Nishimura

Information Sharing Among Federal Agencies: The Federal Agencies Information Group

August 1995
Federal Agency Information Group
District Office Research and Analysis
Los Angeles District

The mission of the FAIG is to develop a cooperative interagency communication strategy which promotes efficiency and public trust.

The Los Angeles District DORA Division through its Fed/State efforts has organized the Federal Agencies Information Group (FAIG). FAIG has been meeting on a regular basis (every two months) since February 1994 and the IRS is the host agency. The group has been meeting with ten federal agencies to discuss common goals and problems. The ultimate goal is to reduce the barriers that inhibit interagency communication and enable the agencies to better share information, while at the same time protecting the privacy rights of taxpayers. The FAIG has developed four subgroups to facilitate accomplishing this goal. The Information Sharing group headed by the Federal Bureau of Investigation (FBI) is attempting to establish a bulletin board that can be accessed by federal agencies. The Joint Investigation subgroup is led by the Department of Labor (DOL) and the Immigration and Naturalization Service (INS) and involves enforcement projects. The Customs Bureau is the lead agency for the Cooperative Efforts subgroup which develops joint projects that agencies possess an interest in. The Planning subgroup is chaired by IRS and is responsible for securing guest speakers from federal agencies who share information and insight in their respective areas. The group also publishes a newsletter available to the member agencies. Due to this group, cooperation and communication among the agencies have improved.

Statistical Tables

Table Notes

1. Detail may not add due to rounding.

2. Table1 shows tax return and economic/demographic data for the new consolidated IRS districts and regions. Table 2 shows this same information organized by the old (pre-1995) alignment of district and regional offices.

3. The years displayed represent the calendar year in which the tax return was filed, except Federal tax deposits (Table 3), which are presented on a fiscal year basis.

4. Economic and demographic data projections were made in July 1995 by Data Resources, Inc. This information is not available for the Assistant Commissioner (International). For more recent economic and demographic projections, contact the Chief, Projections and Forecasting Group as directed in the "Foreword" section of this publication.

5. The selected employment by industry variables (e.g., construction employment, mining employment, etc.) do not sum to "Civilian Employment" since they are only a subset of all industries.

6. Federal tax deposit projections were made in February 1996. These figures are organized by the Service Center Recognition Imaging processing System (SCRIPS) alignments and include projections of electronic fund transfers as specified in the original North American Free Trade Agreement legislation. Withholding and information document projections were made in May 1996 and are also sorted by a SCRIPS grouping of service centers. The tax return projections reflect the fall 1995 editions of IRS Document 6149 (districts and regions) and Document 6186 (service centers). For more recent projections of tax returns, contact the Chief, Projections and Forecasting Group as directed in the "Foreword" section of this publication.

7. Total returns consist of the following tax forms:

Individual	Paper and electronic Forms 1040, 1040A, 1040EZ, 1040PC, 1040NR, 1040PR, and 1040SS
Estimated Tax	Form 1040ES
Fiduciary	Form 1041 and Form 1041ES
Partnership	Form 1065
Corporation	Forms 1120, 1120A, 1120F, 1120FSC, 1120H, 1120POL, 1120REIT, 1120RIC, 1120S, 1120PC, 1120L, and 1120SF
Estate	Forms 706, 706NA, 706GS(D), and 706GS(T)
Gift	Form 709
Employment	Forms 940, 940EZ, 940PR, 941, 941E, 941PR, 941SS, 942, 942PR, 943, 943PR, 945, and CT-1
Form 1042	
Form 8752	
Exempt Organization	Forms 990, 990C, 990EZ, 990PF, 990T, 4720, and 5227
Employee Plans	Forms 5500, 5500C, 5500EZ, and 5500R
Excise	Forms 11C, 720, 730, and 2290
Form 8752	
Supplemental Documents	Forms 1040X, 1120X, 2688, 4868, 7004, and 1041(A) prior to 1993.

6. Withholding Documents consist of the following: Forms W2, W2P (prior to 1992) and W2G.

7. Information documents consist of the following: Forms 1098, 1099A, 1099B, 1099DIV, 1099G, 1099INT, 1099MISC, 1099C, 1099OID, 1099PATR, 1099R, 1099S, 1099SSA/RRB, 5498, 1096, Schedules K-1 and foreign information

Table 1. Return and Economic/Demographic Data by New IRS Regions and Districts, 1988–2002
(total dollar amounts in millions; per capita dollar amounts in units; other amounts in thousands)

Item	Actual				Projected			
	1988	1990	1992	1994	1996	1998	2000	2002
United States								
Total Returns	195,135	203,223	206,003	205,781	209,845	215,778	221,825	227,960
Total Individual Returns	107,259	112,596	115,047	115,062	119,123	123,074	127,049	131,107
Corporation Returns	4,027	4,320	4,518	4,666	4,821	5,091	5,352	5,609
Employment Returns	28,335	28,911	28,717	29,274	28,682	29,090	29,592	30,084
Excise Tax Returns	983	852	832	823	813	838	866	898
Civilian Employment	114,978	117,915	117,599	123,065	126,894	130,928	134,284	137,373
Construction Employment	5,096	5,123	4,490	5,010	5,283	5,408	5,532	5,616
Finance, Real Estate, and Insurance Employment	6,630	6,709	6,605	6,933	6,974	7,072	7,275	7,465
Government Employment	17,387	18,302	18,644	19,118	19,603	20,081	20,573	20,991
Manufacturing Employment	19,313	19,081	18,104	18,305	17,969	18,010	17,862	17,689
Mining Employment	715	706	632	599	574	556	558	552
Services Employment	25,501	27,931	29,044	31,485	33,945	36,276	38,186	40,108
Transporation, Public Utilities Employment	5,514	5,792	5,724	6,008	6,245	6,319	6,368	6,413
Trade Employment	25,052	25,777	25,355	26,576	27,507	28,502	29,278	29,963
Personal Income ($)	4,075,920	4,673,770	5,154,300	5,701,710	6,312,090	6,985,390	7,721,960	8,543,470
Real Personal Income ('87 $)	3,910,320	4,066,920	4,173,960	4,409,300	4,640,520	4,864,160	5,066,700	5,262,770
Per Capita Personal Income ($)	16,615	18,673	20,151	21,841	23,722	25,782	28,018	30,490
Real Per Capita Personal Income ('87 $)	15,940	16,248	16,319	16,891	17,440	17,953	18,384	18,782
Population	245,309	250,270	255,767	261,030	266,072	270,914	275,619	280,236
Population Age 65 and Over	30,192	31,290	32,312	33,234	33,977	34,433	34,921	35,408
Midstates Region								
Total Returns	43,403	44,887	45,889	46,128	47,142	48,399	49,702	50,988
Total Individual Returns	23,765	24,805	25,526	25,697	26,728	27,589	28,463	29,316
Corporation Returns	844	880	927	970	976	1,030	1,080	1,127
Employment Returns	6,336	6,441	6,492	6,699	6,544	6,626	6,743	6,858
Excise Tax Returns	290	269	262	267	265	273	282	295
Civilian Employment	26,837	27,354	27,868	29,038	29,914	30,816	31,586	32,303
Construction Employment	1,002	1,059	1,029	1,152	1,219	1,245	1,273	1,291
Finance, Real Estate, and Insurance Employment	1,484	1,502	1,510	1,602	1,627	1,649	1,697	1,743
Government Employment	3,916	4,128	4,270	4,425	4,568	4,684	4,802	4,906
Manufacturing Employment	4,256	4,343	4,216	4,387	4,355	4,377	4,340	4,294
Mining Employment	292	285	261	248	235	228	231	229
Services Employment	5,489	6,070	6,428	6,973	7,506	8,009	8,433	8,859
Transporation, Public Utilities Employment	1,342	1,424	1,433	1,513	1,596	1,612	1,625	1,635
Trade Employment	5,797	5,985	6,042	6,381	6,601	6,836	7,023	7,192
Personal Income ($)	869,720	998,160	1,115,970	1,239,840	1,379,190	1,526,160	1,685,410	1,862,660
Real Personal Income ('87 $)	830,360	866,160	900,640	952,190	1,007,650	1,057,420	1,101,230	1,144,610
Per Capita Personal Income ($)	15,509	17,567	19,244	20,911	22,842	24,832	26,958	29,278
Real Per Capita Personal Income ('87 $)	14,807	15,244	15,531	16,060	16,688	17,205	17,614	17,991
Population	56,074	56,793	57,994	59,288	60,378	61,447	62,531	63,611
Population Age 65 and Over	6,831	7,035	7,237	7,392	7,537	7,623	7,720	7,822
Arkansas-Oklahoma District								
Total Returns	3,951	4,081	4,165	4,183	4,276	4,438	4,571	4,702
Total Individual Returns	2,147	2,239	2,309	2,324	2,415	2,539	2,635	2,730
Corporation Returns	81	84	88	92	96	102	107	112
Employment Returns	602	602	604	627	616	625	636	647
Excise Tax Returns	31	26	25	27	27	27	27	28
Civilian Employment	2,445	2,497	2,499	2,609	2,691	2,766	2,840	2,908
Construction Employment	70	80	78	90	99	101	104	105
Finance, Real Estate, and Insurance Employment	97	98	100	106	108	110	112	115
Government Employment	391	413	430	434	445	455	467	479
Manufacturing Employment	387	400	401	425	430	435	433	431
Mining Employment	49	47	40	38	36	35	36	36
Services Employment	412	463	503	544	591	631	664	697
Transporation, Public Utilities Employment	116	125	127	132	141	143	143	144
Trade Employment	468	484	498	529	554	574	591	605
Personal Income ($)	71,840	80,710	91,080	100,420	112,280	125,040	138,470	153,170
Real Personal Income ('87 $)	68,310	69,910	73,250	76,840	81,950	86,690	90,900	95,310
Per Capita Personal Income ($)	13,014	14,621	16,235	17,525	19,292	21,157	23,040	24,946
Real Per Capita Personal Income ('87 $)	12,375	12,665	13,057	13,410	14,081	14,668	15,125	15,523
Population	5,521	5,521	5,617	5,727	5,816	5,906	6,020	6,137
Population Age 65 and Over	756	774	794	807	820	827	838	850

Notes: Actual return volumes are reported by location of taxpayer, not by processing site.
Return projections are presented in IRS Document 6149—see Table Notes for further reference.
Economic and demographic data are reported as of July 1995.—see Table Notes for further reference.

Table 1. Return and Economic/Demographic Data by New IRS Regions and Districts, 1988–2002
(total dollar amounts in millions; per capita dollar amounts in units; other amounts in thousands)

Item	Actual				Projected			
	1988	1990	1992	1994	1996	1998	2000	2002
Houston District								
Total Returns	3,020	3,213	3,370	3,430	3,477	3,561	3,643	3,738
Total Individual Returns	1,670	1,817	1,935	1,957	2,020	2,062	2,099	2,151
Corporation Returns	71	73	78	81	84	88	92	95
Employment Returns	423	433	448	469	446	454	465	476
Excise Tax Returns	12	10	10	11	11	11	12	12
Civilian Employment	2,058	2,210	2,281	2,355	2,424	2,501	2,571	2,636
Construction Employment	111	141	140	142	148	153	156	159
Finance, Real Estate, and Insurance Employment	119	119	114	118	120	122	126	130
Government Employment	252	276	296	313	328	339	350	358
Manufacturing Employment	214	233	237	240	238	241	240	239
Mining Employment	70	72	70	68	65	64	64	64
Services Employment	456	526	544	581	615	657	692	727
Transporation, Public Utilities Employment	122	131	133	139	147	149	151	153
Trade Employment	430	454	465	485	496	514	527	541
Personal Income ($)	68,350	80,800	93,510	103,240	115,620	128,670	141,820	156,840
Real Personal Income ('87 $)	65,530	70,630	76,250	80,350	84,470	88,670	92,230	95,900
Per Capita Personal Income ($)	16,430	18,704	20,688	22,107	24,138	26,313	28,421	30,874
Real Per Capita Personal Income ('87 $)	15,752	16,350	16,869	17,206	17,635	18,133	18,483	18,878
Population	4,157	4,317	4,517	4,673	4,786	4,891	4,993	5,079
Population Age 65 and Over	332	357	381	398	413	423	434	444
Illinois District								
Total Returns	9,101	9,400	9,508	9,408	9,584	9,745	9,909	10,100
Total Individual Returns	5,073	5,281	5,358	5,309	5,461	5,559	5,653	5,769
Corporation Returns	181	195	208	218	212	225	238	250
Employment Returns	1,213	1,255	1,262	1,290	1,276	1,290	1,311	1,331
Excise Tax Returns	36	33	32	35	35	38	40	42
Civilian Employment	5,413	5,496	5,515	5,656	5,756	5,892	6,011	6,128
Construction Employment	210	226	199	211	219	220	225	227
Finance, Real Estate, and Insurance Employment	372	379	380	397	400	403	413	422
Government Employment	725	752	760	767	782	796	812	825
Manufacturing Employment	975	981	919	943	923	923	913	898
Mining Employment	22	20	17	16	15	13	13	13
Services Employment	1,243	1,351	1,409	1,505	1,609	1,705	1,788	1,871
Transporation, Public Utilities Employment	298	308	303	320	333	335	335	337
Trade Employment	1,243	1,259	1,234	1,288	1,322	1,352	1,379	1,407
Personal Income ($)	204,620	233,850	256,830	283,370	311,490	340,470	372,840	409,630
Real Personal Income ('87 $)	194,400	201,620	205,600	216,420	226,810	234,780	242,240	249,520
Per Capita Personal Income ($)	17,918	20,352	22,083	24,055	26,132	28,231	30,561	33,168
Real Per Capita Personal Income ('87 $)	17,023	17,547	17,678	18,372	19,028	19,468	19,856	20,204
Population	11,418	11,484	11,637	11,776	11,921	12,058	12,198	12,348
Population Age 65 and Over	1,391	1,436	1,465	1,484	1,507	1,517	1,529	1,545
Kansas-Missouri District								
Total Returns	6,050	6,214	6,276	6,260	6,427	6,560	6,713	6,871
Total Individual Returns	3,250	3,355	3,400	3,392	3,551	3,627	3,719	3,815
Corporation Returns	112	117	121	126	126	132	138	144
Employment Returns	905	918	916	940	916	927	942	958
Excise Tax Returns	39	34	33	33	33	34	35	36
Civilian Employment	3,665	3,706	3,807	3,818	3,984	4,113	4,208	4,297
Construction Employment	143	143	137	162	170	174	177	179
Finance, Real Estate, and Insurance Employment	195	198	196	207	210	212	218	224
Government Employment	545	573	586	610	630	644	658	671
Manufacturing Employment	616	623	595	600	590	590	581	575
Mining Employment	15	15	14	13	12	12	12	12
Services Employment	747	823	867	962	1,039	1,110	1,163	1,221
Transporation, Public Utilities Employment	212	220	216	229	239	242	243	244
Trade Employment	814	828	827	868	898	932	955	977
Personal Income ($)	118,690	134,150	148,450	163,300	180,690	198,820	218,730	241,450
Real Personal Income ('87 $)	113,530	116,190	119,310	125,940	133,670	140,250	145,830	151,740
Per Capita Personal Income ($)	15,700	17,582	19,204	20,803	22,615	24,425	26,449	28,710
Real Per Capita Personal Income ('87 $)	15,017	15,228	15,435	16,043	16,730	17,230	17,634	18,043
Population	7,562	7,627	7,731	7,850	7,987	8,141	8,268	8,403
Population Age 65 and Over	1,035	1,060	1,085	1,101	1,121	1,136	1,148	1,162

Notes: Actual return volumes are reported by location of taxpayer, not by processing site.
Return projections are presented in IRS Document 6149—see Table Notes for further reference.
Economic and demographic data are reported as of July 1995.—see Table Notes for further reference.

Table 1. Return and Economic/Demographic Data by New IRS Regions and Districts, 1988–2002

(total dollar amounts in millions, per capita dollar amounts in units, other amounts in thousands)

Item	Actual				Projected			
	1988	1990	1992	1994	1996	1998	2000	2002
Midwest District								
Total Returns	7,447	7,700	7,886	7,829	7,990	8,146	8,287	8,439
Total Individual Returns	4,013	4,185	4,299	4,291	4,478	4,607	4,713	4,828
Corporation Returns	138	143	150	157	154	163	170	176
Employment Returns	1,117	1,140	1,154	1,174	1,156	1,170	1,189	1,207
Excise Tax Returns	65	61	59	58	56	59	60	64
Civilian Employment	4,681	4,702	4,823	5,032	5,114	5,256	5,351	5,439
Construction Employment	142	163	167	189	201	205	209	211
Finance, Real Estate, and Insurance Employment	231	240	250	267	273	276	283	291
Government Employment	664	693	713	733	756	776	793	810
Manufacturing Employment	873	892	880	928	927	930	923	911
Mining Employment	6	6	5	5	5	5	5	5
Services Employment	912	1,000	1,065	1,137	1,224	1,300	1,365	1,428
Transporation, Public Utilities Employment	195	208	212	224	235	235	238	238
Trade Employment	980	1,036	1,053	1,094	1,136	1,173	1,200	1,222
Personal Income ($)	139,210	160,880	179,300	199,190	220,930	243,100	267,710	294,240
Real Personal Income ('87 $)	132,730	139,030	144,010	151,050	160,510	167,820	173,600	179,120
Per Capita Personal Income ($)	15,164	17,299	19,014	20,858	22,800	24,705	26,879	29,133
Real Per Capita Personal Income ('87 $)	14,459	14,949	15,271	15,817	16,564	17,055	17,430	17,735
Population	9,185	9,292	9,432	9,555	9,693	9,842	9,967	10,099
Population Age 65 and Over	1,271	1,301	1,331	1,353	1,374	1,387	1,399	1,412
North Central District								
Total Returns	4,639	4,762	4,890	4,946	5,070	5,207	5,341	5,465
Total Individual Returns	2,521	2,572	2,634	2,666	2,768	2,862	2,948	3,022
Corporation Returns	87	95	100	105	104	110	116	122
Employment Returns	693	717	731	759	761	771	785	799
Excise Tax Returns	59	66	64	63	64	64	67	70
Civilian Employment	2,891	2,930	2,947	3,148	3,272	3,377	3,466	3,550
Construction Employment	100	103	102	113	117	120	122	124
Finance, Real Estate, and Insurance Employment	147	153	161	176	178	181	187	192
Government Employment	438	458	470	489	507	523	536	547
Manufacturing Employment	442	451	452	483	484	488	484	478
Mining Employment	14	15	15	14	14	14	14	14
Services Employment	631	690	744	807	869	928	978	1,029
Transporation, Public Utilities Employment	133	140	143	148	156	157	158	159
Trade Employment	642	664	677	717	744	772	794	813
Personal Income ($)	88,200	103,280	115,120	128,730	143,460	158,370	175,230	193,390
Real Personal Income ('87 $)	84,440	90,020	93,310	98,010	104,930	110,640	115,410	119,910
Per Capita Personal Income ($)	15,556	17,993	19,712	21,672	23,673	25,544	27,770	30,076
Real Per Capita Personal Income ('87 $)	14,892	15,683	15,978	16,500	17,315	17,845	18,290	18,649
Population	5,663	5,739	5,835	5,941	6,059	6,189	6,308	6,431
Population Age 65 and Over	726	741	761	774	790	802	814	826
North Texas District								
Total Returns	5,414	5,599	5,715	5,821	5,970	6,167	6,416	6,624
Total Individual Returns	2,919	3,076	3,162	3,237	3,406	3,539	3,719	3,860
Corporation Returns	111	111	116	121	127	133	138	143
Employment Returns	828	817	816	851	821	831	847	863
Excise Tax Returns	31	25	25	25	24	24	25	26
Civilian Employment	3,447	3,496	3,542	3,763	3,902	4,033	4,158	4,271
Construction Employment	127	113	111	136	147	151	156	159
Finance, Real Estate, and Insurance Employment	208	202	197	208	213	217	225	232
Government Employment	429	457	482	513	531	545	561	575
Manufacturing Employment	519	518	480	492	486	490	487	484
Mining Employment	91	85	76	71	67	65	66	65
Services Employment	666	740	779	863	934	1,004	1,066	1,127
Transporation, Public Utilities Employment	181	200	204	214	230	234	238	240
Trade Employment	747	768	771	832	863	900	932	960
Personal Income ($)	110,640	125,960	141,280	158,590	177,950	199,410	221,930	247,260
Real Personal Income ('87 $)	106,070	110,110	115,200	123,420	130,000	137,410	144,330	151,190
Per Capita Personal Income ($)	15,988	17,867	19,595	21,402	23,570	25,931	28,235	30,830
Real Per Capita Personal Income ('87 $)	15,328	15,618	15,978	16,656	17,219	17,869	18,363	18,852
Population	6,921	7,047	7,208	7,409	7,555	7,689	7,856	8,023
Population Age 65 and Over	738	759	780	798	812	818	828	838

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Economic and demographic data are reported as of July 1995. —see Table Notes for further reference.

Table 1. Return and Economic/Demographic Data by New IRS Regions and Districts, 1988–2002

(total dollar amounts in millions; per capita dollar amounts in units; other amounts in thousands)

Item	Actual				Projected			
	1988	1990	1992	1994	1996	1998	2000	2002
South Texas District								
Total Returns	3,781	3,918	4,079	4,251	4,348	4,575	4,822	5,049
Total Individual Returns	2,172	2,280	2,409	2,521	2,629	2,794	2,977	3,141
Corporation Returns	63	62	66	70	73	77	81	85
Employment Returns	555	559	561	589	552	558	568	577
Excise Tax Returns	17	14	14	15	15	16	16	17
Civilian Employment	2,237	2,317	2,454	2,657	2,771	2,878	2,981	3,074
Construction Employment	99	90	95	109	118	121	124	127
Finance, Real Estate, and Insurance Employment	115	113	112	123	125	128	133	137
Government Employment	472	506	533	566	589	606	625	641
Manufacturing Employment	230	245	252	276	277	280	279	278
Mining Employment	25	25	24	23	21	20	21	20
Services Employment	422	477	517	574	625	674	717	759
Transporation, Public Utilities Employment	85	92	95	107	115	117	119	120
Trade Employment	473	492	517	568	588	619	645	667
Personal Income ($)	68,170	78,530	90,400	103,000	116,770	132,280	148,680	166,680
Real Personal Income ('87 $)	65,350	68,650	73,710	80,160	85,310	91,160	96,690	101,920
Per Capita Personal Income ($)	12,065	13,610	15,017	16,195	17,800	19,655	21,486	23,509
Real Per Capita Personal Income ('87 $)	11,566	11,898	12,244	12,604	13,005	13,545	13,973	14,375
Population	5,647	5,766	6,017	6,357	6,561	6,731	6,921	7,091
Population Age 65 and Over	582	607	640	677	700	713	730	745
Northeast Region								
Total Returns	58,496	59,658	59,225	57,852	58,714	59,531	60,515	61,531
Total Individual Returns	32,243	33,017	32,877	32,358	33,239	33,781	34,450	35,135
Corporation Returns	1,300	1,411	1,448	1,457	1,491	1,568	1,641	1,713
Employment Returns	8,269	8,396	8,150	8,115	8,072	8,156	8,263	8,374
Excise Tax Returns	249	201	189	180	174	177	180	185
Civilian Employment	33,337	33,537	32,782	33,465	33,952	34,743	35,357	35,911
Construction Employment	1,421	1,310	1,046	1,136	1,193	1,215	1,235	1,244
Finance, Real Estate, and Insurance Employment	2,249	2,235	2,145	2,211	2,197	2,213	2,263	2,305
Government Employment	4,773	4,904	4,844	4,887	4,902	4,971	5,054	5,111
Manufacturing Employment	6,342	6,010	5,542	5,490	5,310	5,288	5,228	5,159
Mining Employment	73	64	57	53	50	47	47	47
Services Employment	8,206	8,745	8,818	9,431	10,050	10,633	11,090	11,560
Transporation, Public Utilities Employment	1,546	1,582	1,513	1,579	1,617	1,623	1,622	1,621
Trade Employment	7,301	7,315	6,972	7,194	7,364	7,543	7,677	7,793
Personal Income ($)	1,305,560	1,470,320	1,597,760	1,746,580	1,920,790	2,104,190	2,304,760	2,528,910
Real Personal Income ('87 $)	1,256,420	1,279,010	1,293,080	1,355,380	1,404,130	1,451,720	1,496,570	1,539,760
Per Capita Personal Income ($)	18,445	20,648	22,293	24,214	26,414	28,691	31,162	33,891
Real Per Capita Personal Income ('87 $)	17,751	17,961	18,042	18,791	19,309	19,794	20,235	20,635
Population	70,772	71,198	71,676	72,134	72,705	73,337	73,974	74,644
Population Age 65 and Over	9,281	9,498	9,733	9,923	10,038	10,085	10,144	10,212
Brooklyn District								
Total Returns	5,487	5,609	5,492	5,240	5,289	5,327	5,373	5,440
Total Individual Returns	3,034	3,105	3,072	2,983	3,038	3,070	3,105	3,157
Corporation Returns	166	178	179	178	166	171	176	181
Employment Returns	766	779	750	743	744	749	760	770
Excise Tax Returns	18	13	8	7	7	7	7	8
Civilian Employment	2,020	2,044	1,935	1,957	1,972	2,007	2,033	2,058
Construction Employment	122	115	87	88	87	86	86	85
Finance, Real Estate, and Insurance Employment	126	128	131	137	135	135	138	140
Government Employment	250	255	242	242	237	237	238	239
Manufacturing Employment	312	280	237	226	215	213	210	206
Mining Employment	0	0	0	0	0	0	0	0
Services Employment	563	594	602	637	673	710	734	761
Transporation, Public Utilities Employment	140	152	139	143	144	144	143	143
Trade Employment	510	490	453	459	469	478	485	490
Personal Income ($)	132,640	150,350	162,170	175,850	196,540	215,600	235,260	258,130
Real Personal Income ('87 $)	129,110	132,210	132,760	138,180	143,000	147,320	151,380	155,150
Per Capita Personal Income ($)	19,195	21,853	23,571	25,486	28,361	30,977	33,705	36,928
Real Per Capita Personal Income ('87 $)	18,685	19,217	19,297	20,026	20,635	21,167	21,688	22,196
Population	6,913	6,877	6,880	6,897	6,929	6,957	6,977	6,994
Population Age 65 and Over	888	896	900	907	914	913	913	913

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Economic and demographic data are reported as of July 1995.—see Table Notes for further reference.

Table 1. Return and Economic/Demographic Data by New IRS Regions and Districts, 1988–2002

(total dollar amounts in millions, per capita dollar amounts in units, other amounts in thousands)

Item	Actual				Projected			
	1988	1990	1992	1994	1996	1998	2000	2002
Connecticut-Rhode Island District								
Total Returns	4,009	4,063	3,890	3,777	3,790	3,818	3,862	3,902
Total Individual Returns	2,112	2,145	2,061	2,000	2,020	2,037	2,066	2,091
Corporation Returns	89	99	97	96	101	104	107	110
Employment Returns	571	578	546	539	539	548	554	560
Excise Tax Returns	16	13	11	10	9	9	9	9
Civilian Employment	2,196	2,167	2,131	2,153	2,151	2,201	2,241	2,273
Construction Employment	105	83	60	61	64	67	69	69
Finance, Real Estate, and Insurance Employment	180	179	168	166	163	167	171	175
Government Employment	260	268	268	269	272	276	280	283
Manufacturing Employment	485	441	396	373	354	352	349	345
Mining Employment	2	1	1	1	1	1	1	1
Services Employment	528	559	556	600	639	676	705	733
Transporation, Public Utilities Employmen	89	89	82	85	87	87	87	86
Trade Employment	481	460	422	425	429	440	448	454
Personal Income ($)	92,410	102,770	109,540	117,400	127,720	139,810	153,210	168,250
Real Personal Income ('87 $)	89,580	89,770	88,840	91,690	93,790	97,050	100,180	103,050
Per Capita Personal Income ($)	21,591	23,900	25,534	27,430	29,633	32,214	35,059	38,152
Real Per Capita Personal Income ('87 $)	20,930	20,877	20,709	21,423	21,761	22,362	22,924	23,367
Population	4,278	4,301	4,288	4,280	4,305	4,340	4,376	4,413
Population Age 65 and Over	585	595	609	620	627	631	636	640
Manhattan District								
Total Returns	4,352	4,299	4,179	4,051	4,044	4,076	4,118	4,170
Total Individual Returns	1,859	1,898	1,870	1,825	1,857	1,864	1,876	1,895
Corporation Returns	169	175	174	171	163	168	173	178
Employment Returns	825	820	781	772	731	737	747	757
Excise Tax Returns	13	10	7	5	5	5	5	5
Civilian Employment	3,270	3,223	2,970	2,970	2,977	3,032	3,082	3,122
Construction Employment	94	83	59	62	66	70	73	72
Finance, Real Estate, and Insurance Employment	534	509	459	468	465	467	474	481
Government Employment	589	603	580	567	544	547	552	556
Manufacturing Employment	317	278	245	237	225	223	221	217
Mining Employment	1	1	1	1	1	1	1	1
Services Employment	1,000	1,025	951	991	1,038	1,088	1,124	1,160
Transporation, Public Utilities Employment	153	154	139	139	141	141	141	141
Trade Employment	544	520	466	463	471	480	485	490
Personal Income ($)	109,950	126,350	139,170	150,590	164,380	180,340	198,790	219,260
Real Personal Income ('87 $)	107,030	111,110	113,890	118,330	119,600	123,220	127,920	131,780
Per Capita Personal Income ($)	26,055	29,941	32,889	35,267	38,496	42,037	45,910	50,174
Real Per Capita Personal Income ('87 $)	25,363	26,329	26,924	27,712	28,009	28,723	29,543	30,156
Population	4,218	4,218	4,233	4,266	4,266	4,293	4,334	4,375
Population Age 65 and Over	534	531	530	532	529	525	523	521
Michigan District								
Total Returns	6,770	7,006	7,071	6,986	7,172	7,320	7,488	7,644
Total Individual Returns	3,987	4,125	4,159	4,142	4,319	4,407	4,512	4,608
Corporation Returns	136	150	160	168	181	193	205	216
Employment Returns	937	969	976	979	970	976	990	1,002
Excise Tax Returns	30	26	25	25	24	24	25	26
Civilian Employment	4,195	4,215	4,225	4,470	4,553	4,660	4,726	4,789
Construction Employment	136	146	129	146	156	157	159	160
Finance, Real Estate, and Insurance Employment	188	191	192	200	199	201	206	210
Government Employment	611	622	628	630	642	653	666	675
Manufacturing Employment	956	942	900	947	921	916	902	889
Mining Employment	11	9	9	9	8	8	8	8
Services Employment	864	943	978	1,061	1,138	1,211	1,264	1,320
Transporation, Public Utilities Employment	154	158	154	163	171	172	171	172
Trade Employment	891	946	924	967	997	1,026	1,043	1,061
Personal Income ($)	153,450	171,160	186,570	206,520	223,740	243,980	265,220	288,550
Real Personal Income ('87 $)	146,480	148,350	150,910	164,860	170,910	176,220	180,950	185,120
Per Capita Personal Income ($)	16,607	18,325	19,764	21,693	23,331	25,231	27,146	29,265
Real Per Capita Personal Income ('87 $)	15,853	15,833	15,986	17,317	17,822	18,223	18,521	18,775
Population	9,242	9,338	9,442	9,515	9,588	9,670	9,774	9,861
Population Age 65 and Over	1,075	1,108	1,150	1,182	1,196	1,203	1,213	1,223

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Economic and demographic data are reported as of July 1995—see Table Notes for further reference.

Table 1. Return and Economic/Demographic Data by New IRS Regions and Districts, 1988–2002

(total dollar amounts in millions; per capita dollar amounts in units; other amounts in thousands)

Item	Actual				Projected			
	1988	1990	1992	1994	1996	1998	2000	2002
New England District								
Total Returns	7,846	8,032	7,782	7,673	7,755	7,890	8,063	8,229
Total Individual Returns	4,225	4,327	4,179	4,133	4,176	4,237	4,333	4,420
Corporation Returns	167	182	181	184	195	204	213	221
Employment Returns	1,145	1,160	1,096	1,090	1,098	1,118	1,131	1,147
Excise Tax Returns	38	31	27	26	25	26	26	26
Civilian Employment	4,499	4,515	4,381	4,457	4,564	4,696	4,800	4,888
Construction Employment	235	171	122	143	152	160	163	164
Finance, Real Estate, and Insurance Employment	293	284	263	276	273	277	283	289
Government Employment	596	603	584	594	607	617	630	635
Manufacturing Employment	861	776	700	688	665	666	661	654
Mining Employment	4	2	2	2	2	2	2	2
Services Employment	1,196	1,242	1,240	1,366	1,466	1,557	1,628	1,698
Transporation, Public Utilities Employment	183	181	171	182	186	188	189	189
Trade Employment	1,063	1,020	948	1,003	1,033	1,063	1,086	1,104
Personal Income ($)	172,230	189,610	201,950	221,530	244,080	269,160	296,690	327,550
Real Personal Income ('87 $)	165,850	163,560	161,760	170,150	178,420	186,470	193,590	200,260
Per Capita Personal Income ($)	19,461	21,209	22,589	24,587	26,705	29,036	31,630	34,552
Real Per Capita Personal Income ('87 $)	18,740	18,295	18,094	18,885	19,521	20,115	20,639	21,124
Population	8,844	8,935	8,942	9,019	9,141	9,265	9,378	9,488
Population Age 65 and Over	1,166	1,171	1,202	1,231	1,250	1,260	1,270	1,282
New Jersey District								
Total Returns	7,230	7,173	7,118	6,986	7,065	7,136	7,231	7,334
Total Individual Returns	3,943	3,813	3,805	3,760	3,823	3,865	3,921	3,979
Corporation Returns	202	214	221	221	213	225	236	246
Employment Returns	1,023	1,038	1,005	1,013	1,017	1,023	1,037	1,051
Excise Tax Returns	29	23	20	19	19	19	20	21
Civilian Employment	3,821	3,809	3,651	3,717	3,798	3,889	3,962	4,039
Construction Employment	173	150	111	126	133	136	137	138
Finance, Real Estate, and Insurance Employment	238	239	227	237	237	237	243	248
Government Employment	540	561	557	557	557	568	576	581
Manufacturing Employment	662	595	530	512	494	492	489	484
Mining Employment	2	2	2	2	2	2	2	2
Services Employment	915	980	978	1,054	1,123	1,188	1,241	1,294
Transporation, Public Utilities Employment	242	237	230	244	250	250	250	250
Trade Employment	872	861	809	840	868	888	903	917
Personal Income ($)	173,240	194,390	211,030	232,720	258,060	282,910	310,800	342,650
Real Personal Income ('87 $)	161,340	163,510	165,890	171,660	178,670	185,090	190,210	195,530
Per Capita Personal Income ($)	22,411	25,050	26,951	29,384	32,217	35,014	38,135	41,584
Real Per Capita Personal Income ('87 $)	20,872	21,071	21,186	21,674	22,306	22,907	23,339	23,729
Population	7,728	7,758	7,831	7,922	8,006	8,080	8,148	8,242
Population Age 65 and Over	1,005	1,031	1,058	1,080	1,095	1,101	1,108	1,119
Ohio District								
Total Returns	8,188	8,422	8,688	8,600	8,789	8,969	9,149	9,326
Total Individual Returns	4,782	5,003	5,112	5,101	5,300	5,435	5,570	5,700
Corporation Returns	137	151	161	167	179	192	204	216
Employment Returns	1,089	1,099	1,088	1,106	1,103	1,112	1,126	1,141
Excise Tax Returns	33	31	33	33	33	33	34	35
Civilian Employment	4,995	5,063	5,078	5,228	5,348	5,468	5,558	5,640
Construction Employment	190	200	178	192	199	198	200	204
Finance, Real Estate, and Insurance Employment	251	257	257	267	268	270	278	283
Government Employment	680	709	723	734	751	764	778	791
Manufacturing Employment	1,111	1,109	1,050	1,065	1,047	1,047	1,033	1,017
Mining Employment	19	17	14	14	14	12	12	12
Services Employment	1,098	1,192	1,240	1,305	1,387	1,465	1,532	1,603
Transporation, Public Utilities Employment	212	219	214	217	223	224	224	224
Trade Employment	1,130	1,167	1,159	1,195	1,219	1,247	1,273	1,294
Personal Income ($)	168,750	189,940	208,730	229,130	251,260	275,040	301,650	330,420
Real Personal Income ('87 $)	163,570	166,520	169,530	179,450	187,370	193,540	199,080	204,720
Per Capita Personal Income ($)	15,582	17,442	18,924	20,605	22,374	24,254	26,368	28,558
Real Per Capita Personal Income ('87 $)	15,103	15,291	15,370	16,138	16,685	17,067	17,402	17,694
Population	10,825	10,896	11,028	11,124	11,234	11,340	11,442	11,571
Population Age 65 and Over	1,362	1,406	1,456	1,493	1,514	1,523	1,533	1,547

Notes: Actual return volumes are reported by location of taxpayer, not by processing site.
Return projections are presented in IRS Document 6149—see Table Notes for further reference.
Economic and demographic data are reported as of July 1995.—see Table Notes for further reference.

Table 1. Return and Economic/Demographic Data by New IRS Regions and Districts, 1988–2002

(total dollar amounts in millions; per capita dollar amounts in units; other amounts in thousands)

Item	Actual				Projected			
	1988	1990	1992	1994	1996	1998	2000	2002
Pennsylvania District								
Total Returns	9,485	9,740	9,722	9,451	9,704	9,864	10,041	10,228
Total Individual Returns	5,308	5,484	5,497	5,378	5,641	5,781	5,932	6,092
Corporation Returns	145	160	171	168	182	195	207	220
Employment Returns	1,229	1,248	1,223	1,205	1,200	1,213	1,229	1,247
Excise Tax Returns	47	35	40	38	35	36	36	36
Civilian Employment	5,468	5,445	5,425	5,465	5,504	5,634	5,736	5,825
Construction Employment	236	232	199	209	220	223	227	231
Finance, Real Estate, and Insurance Employment	296	302	302	314	313	313	320	326
Government Employment	681	693	688	705	709	718	731	740
Manufacturing Employment	1,056	1,017	952	943	914	907	896	884
Mining Employment	29	27	24	20	18	17	17	17
Services Employment	1,333	1,447	1,489	1,561	1,664	1,757	1,835	1,913
Transporation, Public Utilities Employment	253	266	262	276	283	284	284	283
Trade Employment	1,152	1,175	1,147	1,174	1,200	1,226	1,245	1,263
Personal Income ($)	195,720	223,240	245,940	269,540	295,820	324,410	353,910	385,580
Real Personal Income ('87 $)	189,150	196,240	200,860	208,460	216,550	224,630	231,490	238,820
Per Capita Personal Income ($)	16,489	18,712	20,478	22,313	24,307	26,418	28,610	30,970
Real Per Capita Personal Income ('87 $)	15,935	16,449	16,724	17,257	17,794	18,292	18,714	19,182
Population	11,873	11,927	12,014	12,075	12,164	12,279	12,373	12,454
Population Age 65 and Over	1,765	1,828	1,881	1,921	1,944	1,956	1,967	1,976
Upstate New York District								
Total Returns	5,129	5,314	5,283	5,088	5,106	5,131	5,190	5,258
Total Individual Returns	2,993	3,117	3,122	3,036	3,065	3,085	3,135	3,193
Corporation Returns	89	102	104	104	111	116	120	125
Employment Returns	684	705	685	668	670	680	689	699
Excise Tax Returns	25	19	18	17	17	18	18	19
Civilian Employment	2,923	3,056	2,986	3,048	3,085	3,156	3,219	3,277
Construction Employment	130	130	101	109	116	118	121	121
Finance, Real Estate, and Insurance Employment	143	146	146	146	144	146	150	153
Government Employment	566	590	581	589	583	591	603	611
Manufacturing Employment	592	572	532	499	475	472	467	463
Mining Employment	5	5	4	4	4	4	4	4
Services Employment	709	763	784	856	922	981	1,027	1,078
Transporation, Public Utilities Employment	120	126	122	130	132	133	133	133
Trade Employment	658	676	644	668	678	695	709	720
Personal Income ($)	107,170	122,510	132,710	143,300	159,190	172,940	189,230	208,520
Real Personal Income ('87 $)	104,310	107,740	108,640	112,600	115,820	118,180	121,770	125,330
Per Capita Personal Income ($)	15,645	17,627	18,905	20,384	22,516	24,323	26,392	28,761
Real Per Capita Personal Income ('87 $)	15,228	15,502	15,476	16,017	16,382	16,622	16,983	17,287
Population	6,846	6,948	7,018	7,036	7,072	7,113	7,172	7,246
Population Age 65 and Over	901	932	947	957	969	973	981	991
Southeast Region								
Total Returns	50,774	53,187	54,439	55,174	56,561	58,670	60,710	62,751
Total Individual Returns	28,635	30,148	31,055	31,482	32,876	34,307	35,665	37,035
Corporation Returns	1,083	1,188	1,279	1,349	1,444	1,549	1,656	1,759
Employment Returns	7,603	7,747	7,724	7,956	7,575	7,699	7,855	8,007
Excise Tax Returns	249	213	213	214	211	216	225	233
Civilian Employment	31,079	31,934	32,039	34,042	35,590	36,857	37,891	38,883
Construction Employment	1,668	1,662	1,420	1,605	1,698	1,739	1,785	1,819
Finance, Real Estate, and Insurance Employment	1,571	1,599	1,568	1,665	1,694	1,726	1,781	1,836
Government Employment	5,033	5,351	5,480	5,679	5,870	6,027	6,188	6,335
Manufacturing Employment	5,394	5,386	5,232	5,373	5,313	5,332	5,292	5,257
Mining Employment	203	202	171	160	156	150	149	147
Services Employment	6,428	7,159	7,572	8,408	9,186	9,876	10,442	11,018
Transporation, Public Utilities Employment	1,507	1,596	1,583	1,667	1,726	1,753	1,773	1,793
Trade Employment	6,841	7,091	7,021	7,466	7,801	8,126	8,381	8,612
Personal Income ($)	1,022,930	1,180,050	1,312,250	1,479,140	1,645,180	1,832,550	2,036,620	2,264,210
Real Personal Income ('87 $)	980,790	1,027,590	1,060,400	1,139,120	1,212,920	1,280,570	1,341,730	1,402,320
Per Capita Personal Income ($)	15,166	17,105	18,548	20,379	22,107	24,087	26,228	28,578
Real Per Capita Personal Income ('87 $)	14,541	14,895	14,988	15,695	16,298	16,832	17,279	17,699
Population	67,438	68,991	70,762	72,577	74,422	76,063	77,639	79,236
Population Age 65 and Over	8,558	8,954	9,292	9,618	9,909	10,093	10,283	10,476

Notes: Actual return volumes are reported by location of taxpayer, not by processing site.
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Economic and demographic data are reported as of July 1995.—see Table Notes for further reference.

Table 1. Return and Economic/Demographic Data by New IRS Regions and Districts, 1988–2002

(total dollar amounts in millions; per capita dollar amounts in units; other amounts in thousands)

Item	Actual				Projected			
	1988	1990	1992	1994	1996	1998	2000	2002
Delware-Maryland District								
Total Returns	5,128	5,276	5,361	5,444	5,544	5,705	5,870	6,040
Total Individual Returns	2,847	2,933	2,952	2,927	3,030	3,116	3,201	3,293
Corporation Returns	107	118	127	131	144	155	167	178
Employment Returns	732	741	733	760	683	691	701	711
Excise Tax Returns	18	12	13	13	12	12	12	12
Civilian Employment	2,993	3,022	3,047	3,185	3,313	3,419	3,510	3,611
Construction Employment	202	195	148	153	154	157	165	172
Finance, Real Estate, and Insurance Employment	194	200	195	201	203	205	209	215
Government Employment	709	731	736	740	733	728	733	743
Manufacturing Employment	297	293	265	256	253	255	255	255
Mining Employment	2	2	1	1	1	1	1	1
Services Employment	890	968	973	1,024	1,081	1,137	1,183	1,247
Transporation, Public Utilities Employment	136	141	136	136	137	139	141	142
Trade Employment	671	667	630	641	667	693	713	733
Personal Income ($)	116,530	134,600	145,670	160,290	177,740	197,020	218,700	242,150
Real Personal Income ('87 $)	112,220	117,100	118,040	123,670	129,800	135,360	141,030	146,930
Per Capita Personal Income ($)	19,552	22,102	23,495	25,443	27,642	30,034	32,691	35,454
Real Per Capita Personal Income ('87 $)	18,829	19,228	19,039	19,630	20,187	20,634	21,081	21,512
Population	5,957	6,091	6,205	6,298	6,432	6,556	6,686	6,829
Population Age 65 and Over	654	677	702	728	746	759	773	789
Georgia District								
Total Returns	4,488	4,710	4,874	5,064	5,225	5,478	5,707	5,925
Total Individual Returns	2,658	2,809	2,924	3,023	3,159	3,312	3,439	3,555
Corporation Returns	93	103	113	123	131	142	154	165
Employment Returns	721	729	732	762	731	749	769	788
Excise Tax Returns	22	19	21	21	20	21	22	23
Civilian Employment	2,968	3,024	3,000	3,403	3,539	3,675	3,783	3,885
Construction Employment	154	150	121	145	158	162	167	169
Finance, Real Estate, and Insurance Employment	162	165	163	172	174	179	185	191
Government Employment	485	522	528	558	585	605	624	639
Manufacturing Employment	575	560	545	573	567	568	563	560
Mining Employment	9	8	8	7	7	7	7	7
Services Employment	574	637	676	800	910	983	1,039	1,097
Transporation, Public Utilities Employment	182	199	198	211	216	220	223	227
Trade Employment	730	742	739	807	846	877	909	937
Personal Income ($)	97,580	111,180	125,380	144,230	161,140	179,550	198,950	220,810
Real Personal Income ('87 $)	94,170	97,320	101,700	111,010	120,240	127,710	133,710	139,680
Per Capita Personal Income ($)	15,391	17,000	18,465	20,371	22,135	23,972	25,973	28,237
Real Per Capita Personal Income ('87 $)	14,853	14,881	14,978	15,679	16,516	17,051	17,456	17,862
Population	6,340	6,536	6,793	7,075	7,284	7,487	7,655	7,818
Population Age 65 and Over	635	657	685	711	734	751	766	780
Gulf Coast District								
Total Returns	6,993	7,219	7,401	7,476	7,638	7,932	8,189	8,442
Total Individual Returns	4,129	4,300	4,467	4,517	4,720	4,955	5,157	5,356
Corporation Returns	143	148	153	163	171	180	189	197
Employment Returns	1,122	1,108	1,095	1,126	1,043	1,054	1,071	1,089
Excise Tax Returns	47	40	39	41	40	40	42	43
Civilian Employment	4,488	4,591	4,647	4,834	5,019	5,161	5,273	5,375
Construction Employment	200	217	211	234	250	251	256	260
Finance, Real Estate, and Insurance Employment	193	192	189	200	202	205	211	216
Government Employment	803	841	870	890	919	942	966	985
Manufacturing Employment	792	814	817	837	835	840	834	828
Mining Employment	74	75	64	61	61	60	60	61
Services Employment	771	850	918	1,012	1,101	1,175	1,235	1,295
Transporation, Public Utilities Employment	230	240	233	243	255	257	258	260
Trade Employment	893	920	942	1,001	1,035	1,071	1,097	1,120
Personal Income ($)	135,640	153,270	174,020	195,750	218,130	241,010	265,780	293,280
Real Personal Income ('87 $)	130,240	133,610	140,490	150,310	159,200	167,300	174,580	181,560
Per Capita Personal Income ($)	12,444	14,087	15,763	17,431	19,117	20,849	22,658	21,666
Real Per Capita Personal Income ('87 $)	11,949	12,280	12,726	13,385	13,953	14,472	14,883	15,270
Population	10,913	10,883	11,046	11,231	11,409	11,561	11,728	11,892
Population Age 65 and Over	1,284	1,314	1,348	1,381	1,408	1,421	1,437	1,452

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Economic and demographic data are reported as of July 1995.—see Table Notes for further reference.

Table 1. Return and Economic/Demographic Data by New IRS Regions and Districts, 1988–2002

(total dollar amounts in millions; per capita dollar amounts in units; other amounts in thousands)

Item	Actual				Projected			
	1988	1990	1992	1994	1996	1998	2000	2002
Indiana District								
Total Returns	4,092	4,233	4,326	4,329	4,445	4,557	4,668	4,770
Total Individual Returns	2,384	2,485	2,536	2,549	2,649	2,727	2,799	2,864
Corporation Returns	77	81	86	90	97	103	110	116
Employment Returns	546	557	564	584	585	590	599	607
Excise Tax Returns	29	26	23	24	25	26	27	28
Civilian Employment	2,656	2,667	2,656	2,879	3,013	3,096	3,154	3,194
Construction Employment	110	119	114	127	134	137	140	141
Finance, Real Estate, and Insurance Employment	119	123	127	133	134	136	140	143
Government Employment	348	372	381	390	399	409	419	427
Manufacturing Employment	637	637	628	656	644	644	637	626
Mining Employment	8	8	7	6	6	6	5	5
Services Employment	479	526	555	583	625	669	705	737
Transporation, Public Utilities Employment	124	133	133	139	143	145	146	146
Trade Employment	566	598	601	624	645	668	686	697
Personal Income ($)	82,400	93,830	104,690	117,610	129,290	142,120	155,550	170,450
Real Personal Income ('87 $)	78,860	81,610	84,550	90,150	94,600	98,410	101,600	104,410
Per Capita Personal Income ($)	14,955	16,846	18,464	20,418	22,063	23,886	25,753	27,851
Real Per Capita Personal Income ('87 $)	14,312	14,652	14,912	15,651	16,143	16,539	16,821	17,060
Population	5,508	5,574	5,668	5,765	5,857	5,946	6,036	6,117
Population Age 65 and Over	672	697	719	736	750	758	767	775
Kentucky-Tennessee District								
Total Returns	5,874	6,115	6,269	6,336	6,460	6,640	6,809	6,978
Total Individual Returns	3,470	3,625	3,731	3,803	3,940	4,070	4,188	4,308
Corporation Returns	95	103	110	114	122	130	137	145
Employment Returns	891	900	898	915	876	884	898	912
Excise Tax Returns	37	33	33	32	32	32	34	35
Civilian Employment	3,779	3,914	3,899	4,233	4,399	4,522	4,609	4,690
Construction Employment	164	163	157	175	183	187	190	191
Finance, Real Estate, and Insurance Employment	164	165	163	173	175	178	184	189
Government Employment	563	601	620	639	664	680	695	709
Manufacturing Employment	786	806	801	844	846	852	846	841
Mining Employment	43	42	35	33	32	30	30	29
Services Employment	737	816	891	969	1,045	1,115	1,173	1,229
Transporation, Public Utilities Employment	183	196	203	218	227	230	231	231
Trade Employment	826	865	871	931	968	1,002	1,026	1,047
Personal Income ($)	116,450	133,390	152,540	170,990	189,350	209,730	231,070	254,820
Real Personal Income ('87 $)	111,010	115,520	122,130	130,930	138,690	145,300	150,760	155,950
Per Capita Personal Income ($)	13,652	15,492	17,334	18,936	20,582	22,479	24,452	26,627
Real Per Capita Personal Income ('87 $)	13,014	13,417	13,878	14,499	15,075	15,573	15,953	16,296
Population	8,523	8,611	8,802	9,026	9,196	9,325	9,448	9,571
Population Age 65 and Over	1,060	1,087	1,121	1,150	1,174	1,183	1,193	1,204
North Florida District								
Total Returns	5,699	6,016	6,184	6,215	6,418	6,709	7,004	7,313
Total Individual Returns	3,072	3,267	3,410	3,435	3,630	3,841	4,061	4,298
Corporation Returns	136	151	167	173	185	199	214	228
Employment Returns	793	814	814	828	820	845	871	895
Excise Tax Returns	21	18	18	19	18	18	19	20
Civilian Employment	3,315	3,479	3,486	3,688	3,945	4,162	4,363	4,545
Construction Employment	196	183	154	174	191	203	213	221
Finance, Real Estate, and Insurance Employment	193	197	193	209	217	220	228	235
Government Employment	476	520	531	556	591	618	645	669
Manufacturing Employment	336	326	302	307	302	307	308	309
Mining Employment	7	7	6	5	5	5	5	5
Services Employment	791	916	981	1,111	1,243	1,362	1,470	1,569
Transporation, Public Utilities Employment	136	146	149	157	163	166	170	173
Trade Employment	770	809	793	845	900	952	994	1,033
Personal Income ($)	106,140	124,760	138,370	158,980	180,670	205,800	234,580	265,950
Real Personal Income ('87 $)	102,160	109,300	113,020	123,150	133,660	143,970	154,460	164,390
Per Capita Personal Income ($)	14,949	16,657	17,808	19,823	21,560	23,655	26,007	28,505
Real Per Capita Personal Income ('87 $)	14,389	14,593	14,546	15,355	15,950	16,548	17,124	17,620
Population	7,096	7,490	7,768	8,024	8,378	8,699	9,022	9,329
Population Age 65 and Over	1,154	1,254	1,307	1,365	1,434	1,487	1,541	1,593

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Table 1. Return and Economic/Demographic Data by New IRS Regions and Districts, 1988–2002

(total dollar amounts in millions; per capita dollar amounts in units; other amounts in thousands)

Item	Actual				Projected			
	1988	1990	1992	1994	1996	1998	2000	2002
North-South Carolina District								
Total Returns	7,175	7,612	7,779	7,944	8,207	8,515	8,825	9,126
Total Individual Returns	4,242	4,508	4,632	4,746	4,980	5,170	5,359	5,541
Corporation Returns	132	148	158	166	176	189	201	213
Employment Returns	1,121	1,145	1,133	1,153	1,100	1,115	1,138	1,160
Excise Tax Returns	35	33	32	32	32	35	36	38
Civilian Employment	4,781	4,946	4,988	5,166	5,410	5,605	5,764	5,919
Construction Employment	262	272	226	255	267	277	279	283
Finance, Real Estate, and Insurance Employment	197	202	201	216	222	228	236	244
Government Employment	706	760	781	836	870	901	929	953
Manufacturing Employment	1,253	1,242	1,205	1,232	1,213	1,213	1,199	1,191
Mining Employment	7	7	5	5	5	5	5	4
Services Employment	785	887	950	1,074	1,176	1,274	1,349	1,428
Transporation, Public Utilities Employment	210	220	219	229	237	242	246	250
Trade Employment	1,007	1,060	1,051	1,115	1,165	1,216	1,257	1,293
Personal Income ($)	139,880	162,260	182,270	203,780	223,880	248,050	273,830	303,530
Real Personal Income ('87 $)	133,410	140,820	146,430	158,310	168,040	177,100	184,810	192,700
Per Capita Personal Income ($)	14,072	15,908	17,409	18,921	20,279	21,971	23,791	25,854
Real Per Capita Personal Income ('87 $)	13,422	13,806	13,986	14,699	15,221	15,686	16,056	16,414
Population	9,932	10,195	10,470	10,768	11,046	11,287	11,511	11,742
Population Age 65 and Over	1,146	1,205	1,266	1,323	1,367	1,393	1,419	1,447
South Florida District								
Total Returns	5,466	5,893	6,026	6,083	6,262	6,534	6,811	7,103
Total Individual Returns	2,455	2,685	2,802	2,847	3,023	3,216	3,417	3,635
Corporation Returns	193	217	238	257	275	297	318	340
Employment Returns	822	865	881	917	910	931	955	979
Excise Tax Returns	15	12	12	11	11	11	11	12
Civilian Employment	2,456	2,544	2,503	2,684	2,811	2,935	3,042	3,151
Construction Employment	159	148	114	140	145	151	156	161
Finance, Real Estate, and Insurance Employment	175	175	161	167	167	170	178	186
Government Employment	282	311	324	342	363	378	395	411
Manufacturing Employment	204	195	180	180	175	176	175	175
Mining Employment	2	2	1	1	1	1	1	1
Services Employment	604	680	710	819	890	957	1,013	1,066
Transporation, Public Utilities Employment	124	133	127	138	142	145	147	150
Trade Employment	604	630	616	664	693	727	749	774
Personal Income ($)	99,010	119,150	125,770	145,220	162,680	184,460	209,170	236,780
Real Personal Income ('87 $)	95,300	104,390	102,730	112,500	120,350	129,040	137,730	146,360
Per Capita Personal Income ($)	18,752	21,353	21,722	24,244	26,154	28,732	31,597	34,718
Real Per Capita Personal Income ('87 $)	18,049	18,708	17,743	18,781	19,349	20,100	20,805	21,460
Population	5,279	5,581	5,790	5,991	6,222	6,422	6,620	6,820
Population Age 65 and Over	1,050	1,128	1,171	1,216	1,261	1,290	1,320	1 350
Virginia–West Virginia District								
Total Returns	5,859	6,113	6,219	6,283	6,362	6,600	6,827	7,054
Total Individual Returns	3,378	3,536	3,601	3,635	3,745	3,900	4,044	4,185
Corporation Returns	107	119	127	132	143	154	166	177
Employment Returns	855	888	874	911	827	840	853	866
Excise Tax Returns	25	20	22	21	21	21	22	22
Civilian Employment	3,643	3,747	3,813	3,970	4,141	4,282	4,393	4,513
Construction Employment	221	215	175	202	216	214	219	221
Finance, Real Estate, and Insurance Employment	174	180	176	194	200	205	210	217
Government Employment	661	693	709	728	746	766	782	799
Manufacturing Employment	514	513	489	488	478	477	475	472
Mining Employment	51	51	44	41	38	35	35	34
Services Employment	797	879	918	1,016	1,115	1,204	1,275	1,350
Transporation, Public Utilities Employment	182	188	185	196	206	209	211	214
Trade Employment	774	800	778	838	882	920	950	978
Personal Income ($)	129,300	147,610	163,540	182,290	202,300	224,810	248,990	276,440
Real Personal Income ('87 $)	123,420	127,920	131,310	139,090	148,340	156,380	163,050	170,340
Per Capita Personal Income ($)	16,388	18,382	19,895	21,701	23,523	25,605	27,882	30,345
Real Per Capita Personal Income ('87 $)	15,643	15,930	15,974	16,558	17,249	17,811	18,259	18,698
Population	7,890	8,030	8,220	8,399	8,598	8,780	8,933	9,118
Population Age 65 and Over	903	935	973	1,008	1,035	1,051	1,067	1,086

Notes: Actual return volumes are reported by location of taxpayer, not by processing site.
Return projections are presented in IRS Document 6149—see Table Notes for further reference.
Economic and demographic data are reported as of July 1995.—see Table Notes for further reference.

Table 1. Return and Economic/Demographic Data by New IRS Regions and Districts, 1988–2002

(total dollar amounts in millions; per capita dollar amounts in units; other amounts in thousands)

Item	Actual				Projected			
	1988	1990	1992	1994	1996	1998	2000	2002
Western Region								
Total Returns	41,284	43,603	44,678	44,825	45,685	47,356	48,978	50,658
Total Individual Returns	22,066	23,544	24,532	24,467	25,281	26,350	27,364	28,435
Corporation Returns	784	820	838	863	882	916	947	978
Employment Returns	5,926	6,108	6,131	6,276	6,282	6,392	6,509	6,620
Excise Tax Returns	190	165	163	161	157	161	162	168
Civilian Employment	23,729	25,091	24,909	26,521	27,439	28,512	29,451	30,277
Construction Employment	1,005	1,092	995	1,117	1,173	1,209	1,239	1,262
Finance, Real Estate, and Insurance Employment	1,326	1,373	1,382	1,455	1,456	1,484	1,534	1,581
Government Employment	3,665	3,919	4,050	4,127	4,263	4,399	4,529	4,639
Manufacturing Employment	3,321	3,342	3,114	3,055	2,991	3,013	3,002	2,979
Mining Employment	147	155	143	138	133	131	131	129
Services Employment	5,378	5,957	6,226	6,673	7,203	7,758	8,221	8,671
Transporation, Public Utilities Employment	1,119	1,190	1,195	1,249	1,306	1,331	1,348	1,364
Trade Employment	5,113	5,386	5,320	5,535	5,741	5,997	6,197	6,366
Personal Income ($)	877,710	1,025,240	1,128,320	1,236,150	1,366,930	1,522,490	1,695,170	1,887,690
Real Personal Income ('87 $)	842,750	894,160	919,840	962,610	1,015,820	1,074,450	1,127,170	1,176,080
Per Capita Personal Income ($)	17,207	19,242	20,378	21,668	23,338	25,349	27,573	30,088
Real Per Capita Personal Income ('87 $)	16,521	16,782	16,613	16,873	17,344	17,890	18,334	18,745
Population	51,025	53,288	55,335	57,031	58,567	60,067	61,475	62,745
Population Age 65 and Over	5,522	5,803	6,050	6,301	6,493	6,632	6,774	6,898
Central California District								
Total Returns	4,291	4,553	4,611	4,561	4,535	4,673	4,786	4,893
Total Individual Returns	2,313	2,494	2,598	2,564	2,575	2,670	2,742	2,806
Corporation Returns	65	66	64	63	62	61	60	60
Employment Returns	606	622	612	606	598	604	608	613
Excise Tax Returns	20	15	15	14	14	15	15	16
Civilian Employment	2,404	2,557	2,605	2,652	2,744	2,843	2,933	3,007
Construction Employment	98	109	95	98	103	107	110	112
Finance, Real Estate, and Insurance Employment	96	101	101	104	104	106	109	113
Government Employment	368	393	405	411	421	431	442	453
Manufacturing Employment	434	437	419	409	404	409	409	405
Mining Employment	19	20	17	15	15	14	14	14
Services Employment	517	560	607	623	672	726	769	810
Transporation, Public Utilities Employment	85	91	93	95	98	100	101	102
Trade Employment	519	534	532	541	560	585	603	618
Personal Income ($)	97,250	112,750	121,710	128,860	142,100	158,000	175,470	195,310
Real Personal Income ('87 $)	93,110	97,860	99,150	99,940	104,630	109,910	115,190	120,290
Per Capita Personal Income ($)	17,618	19,507	20,353	21,090	22,809	24,882	27,121	29,592
Real Per Capita Personal Income ('87 $)	16,868	16,931	16,580	16,357	16,795	17,309	17,804	18,226
Population	5,523	5,784	5,977	6,107	6,233	6,354	6,474	6,599
Population Age 65 and Over	556	582	602	628	646	658	671	685
Los Angeles District								
Total Returns	5,913	6,140	6,049	5,761	5,677	5,770	5,872	5,977
Total Individual Returns	3,139	3,343	3,380	3,181	3,191	3,268	3,355	3,440
Corporation Returns	132	134	129	126	124	123	122	120
Employment Returns	887	897	874	861	837	848	855	863
Excise Tax Returns	15	11	10	9	8	8	8	8
Civilian Employment	4,048	4,208	3,901	3,906	3,977	4,089	4,198	4,287
Construction Employment	132	136	107	105	111	117	121	123
Finance, Real Estate, and Insurance Employment	272	278	258	255	249	251	257	263
Government Employment	496	530	530	524	530	538	549	558
Manufacturing Employment	876	833	714	653	622	619	611	603
Mining Employment	9	8	8	7	6	6	6	6
Services Employment	1,101	1,181	1,129	1,189	1,262	1,353	1,424	1,494
Transporation, Public Utilities Employment	207	212	203	208	216	218	219	219
Trade Employment	935	946	847	834	845	876	899	916
Personal Income ($)	144,790	163,820	173,530	184,650	201,460	222,930	246,530	272,110
Real Personal Income ('87 $)	138,630	142,190	141,370	143,220	148,340	155,080	161,840	167,590
Per Capita Personal Income ($)	19,280	21,248	22,022	23,197	24,995	27,421	29,774	32,433
Real Per Capita Personal Income ('87 $)	18,459	18,442	17,940	17,992	18,404	19,075	19,546	19,975
Population	7,514	7,712	7,879	7,960	8,055	8,133	8,283	8,388
Population Age 65 and Over	739	742	751	769	777	777	786	789

Notes: Actual return volumes are reported by location of taxpayer, not by processing site.
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Economic and demographic data are reported as of July 1995.—see Table Notes for further reference.

Table 1. Return and Economic/Demographic Data by New IRS Regions and Districts, 1988–2002

(total dollar amounts in millions; per capita dollar amounts in units; other amounts in thousands)

Item	Actual				Projected			
	1988	1990	1992	1994	1996	1998	2000	2002
Nothern California District								
Total Returns	6,655	6,903	6,983	6,853	6,951	7,285	7,777	8,172
Total Individual Returns	3,372	3,494	3,603	3,524	3,652	3,911	4,328	4,650
Corporation Returns	96	100	97	95	95	96	96	97
Employment Returns	919	949	938	933	907	920	938	957
Excise Tax Returns	23	18	18	16	15	14	14	14
Civilian Employment	3,426	3,676	3,696	3,791	3,918	4,042	4,167	4,291
Construction Employment	150	162	140	147	153	158	161	165
Finance, Real Estate, and Insurance Employment	231	240	246	255	253	255	263	269
Government Employment	622	659	658	653	668	685	704	721
Manufacturing Employment	321	331	324	319	320	323	324	323
Mining Employment	7	7	7	7	7	7	7	7
Services Employment	772	849	888	927	986	1,050	1,102	1,161
Transporation, Public Utilities Employment	193	202	204	209	215	218	220	223
Trade Employment	746	775	751	769	794	824	848	869
Personal Income ($)	143,080	168,010	182,330	195,540	215,540	239,550	265,730	295,860
Real Personal Income ('87 $)	137,000	145,820	148,530	151,660	158,710	166,640	174,450	182,220
Per Capita Personal Income ($)	19,654	22,049	23,168	24,443	26,447	28,792	31,336	34,243
Real Per Capita Personal Income ('87 $)	18,819	19,136	18,873	18,958	19,474	20,029	20,572	21,090
Population	7,277	7,628	7,863	7,994	8,142	8,313	8,476	8,643
Population Age 65 and Over	871	914	945	981	1,006	1,026	1,049	1,072
Pacific-Northwest District								
Total Returns	7,597	8,082	8,518	8,727	9,016	9,326	9,586	9,881
Total Individual Returns	4,078	4,325	4,580	4,664	4,892	5,078	5,208	5,380
Corporation Returns	143	153	169	180	187	201	213	224
Employment Returns	1,102	1,149	1,190	1,253	1,276	1,303	1,335	1,363
Excise Tax Returns	55	51	51	51	50	51	51	52
Civilian Employment	4,243	4,525	4,598	4,959	5,118	5,319	5,480	5,615
Construction Employment	173	218	212	237	249	258	261	265
Finance, Real Estate, and Insurance Employment	230	243	255	276	280	287	296	304
Government Employment	732	783	824	847	879	910	936	957
Manufacturing Employment	593	627	595	589	572	581	580	574
Mining Employment	14	18	15	15	14	14	14	13
Services Employment	884	1,008	1,085	1,162	1,265	1,361	1,437	1,512
Transporation, Public Utilities Employment	217	241	246	253	268	273	276	279
Trade Employment	935	1,013	1,039	1,083	1,132	1,187	1,224	1,253
Personal Income ($)	146,290	176,490	202,480	226,840	249,700	277,550	307,500	341,600
Real Personal Income ('87 $)	141,830	155,820	165,950	176,900	187,420	199,540	209,110	217,560
Per Capita Personal Income ($)	16,200	18,637	20,432	22,131	23,691	25,675	27,803	30,391
Real Per Capita Personal Income ('87 $)	15,707	16,454	16,746	17,259	17,782	18,459	18,907	19,356
Population	9,045	9,470	9,900	10,246	10,537	10,812	11,019	11,244
Population Age 65 and Over	1,062	1,122	1,171	1,214	1,252	1,278	1,302	1,323
Rocky Mountain District								
Total Returns	5,595	5,797	6,155	6,521	6,866	7,186	7,439	7,706
Total Individual Returns	2,988	3,130	3,331	3,494	3,716	3,877	3,969	4,076
Corporation Returns	133	139	150	165	174	189	202	216
Employment Returns	894	898	941	1,022	1,062	1,090	1,121	1,148
Excise Tax Returns	40	35	35	35	34	35	35	36
Civilian Employment	3,368	3,487	3,509	4,068	4,263	4,434	4,565	4,678
Construction Employment	123	135	137	198	205	209	212	216
Finance, Real Estate, and Insurance Employment	170	171	181	207	212	216	222	231
Government Employment	599	624	656	680	709	735	755	773
Manufacturing Employment	377	395	391	415	413	416	415	414
Mining Employment	56	57	52	49	47	47	47	47
Services Employment	689	777	853	953	1,042	1,126	1,195	1,259
Transporation, Public Utilities Employment	183	193	198	216	225	231	234	236
Trade Employment	712	763	804	889	934	980	1,015	1,044
Personal Income ($)	105,410	121,540	140,200	159,690	177,800	198,940	222,480	247,610
Real Personal Income ('87 $)	100,550	105,050	113,300	125,120	134,280	143,340	150,040	155,960
Per Capita Personal Income ($)	14,600	16,559	18,279	19,788	21,293	23,133	25,311	27,604
Real Per Capita Personal Income ('87 $)	13,927	14,448	14,772	15,504	16,081	16,667	17,069	17,387
Population	7,223	7,342	7,666	8,057	8,349	8,601	8,797	8,968
Population Age 65 and Over	715	758	801	837	867	888	905	918

Notes: Actual return volumes are reported by location of taxpayer, not by processing site.
Return projections are presented in IRS Document 6149 — see Table Notes for further reference
Economic and demographic data are reported as of July 1995. — see Table Notes for further reference

Table 1. Return and Economic/Demographic Data by New IRS Regions and Districts, 1988–2002

(total dollar amounts in millions; per capita dollar amounts in units; other amounts in thousands)

Item	Actual				Projected			
	1988	1990	1992	1994	1996	1998	2000	2002
Southern California District								
Total Returns	6,601	7,189	7,173	6,951	6,899	7,043	7,185	7,347
Total Individual Returns	3,607	3,986	4,094	3,950	3,967	4,058	4,151	4,260
Corporation Returns	118	125	119	115	114	112	111	110
Employment Returns	868	935	897	877	866	876	882	890
Excise Tax Returns	17	15	14	13	13	14	14	15
Civilian Employment	3,496	3,766	3,700	3,787	3,900	4,079	4,247	4,397
Construction Employment	164	169	134	131	140	152	158	162
Finance, Real Estate, and Insurance Employment	180	192	190	190	187	194	205	212
Government Employment	411	455	467	472	484	502	522	540
Manufacturing Employment	466	465	431	411	398	400	399	397
Mining Employment	4	2	3	3	3	3	3	3
Services Employment	678	759	797	852	911	990	1,055	1,119
Transporation, Public Utilities Employment	102	108	108	119	127	130	133	137
Trade Employment	677	727	701	718	740	776	807	838
Personal Income ($)	150,190	177,100	188,280	201,660	222,040	248,700	278,440	311,800
Real Personal Income ('87 $)	143,810	153,720	153,390	156,410	163,500	173,000	182,790	192,030
Per Capita Personal Income ($)	18,073	19,899	20,311	21,340	22,962	24,995	27,218	29,667
Real Per Capita Personal Income ('87 $)	17,306	17,272	16,547	16,551	16,908	17,387	17,868	18,271
Population	8,309	8,897	9,266	9,451	9,671	9,949	10,233	10,512
Population Age 65 and Over	855	910	944	976	999	1,020	1,043	1,066
Southwest District								
Total Returns	4,632	4,939	5,189	5,451	5,741	6,073	6,333	6,682
Total Individual Returns	2,569	2,772	2,946	3,090	3,288	3,488	3,611	3,823
Corporation Returns	97	103	110	119	126	134	143	151
Employment Returns	650	668	679	724	736	751	770	786
Excise Tax Returns	20	20	20	23	23	24	25	27
Civilian Employment	2,744	2,869	2,900	3,358	3,519	3,706	3,861	4,002
Construction Employment	165	163	150	201	212	208	216	219
Finance, Real Estate, and Insurance Employment	147	148	151	168	171	175	182	189
Government Employment	437	475	510	540	572	598	621	637
Manufacturing Employment	254	254	240	259	262	265	264	263
Mining Employment	38	43	41	42	41	40	40	39
Services Employment	737	823	867	967	1,065	1,152	1,239	1,316
Transporation, Public Utilities Employment	132	143	143	149	157	161	165	168
Trade Employment	589	628	646	701	736	769	801	828
Personal Income ($)	90,700	105,530	119,790	138,910	158,290	176,820	199,020	223,400
Real Personal Income ('87 $)	87,820	92,700	98,150	109,360	118,940	126,940	133,750	140,430
Per Capita Personal Income ($)	14,772	16,336	17,642	19,266	20,910	22,382	24,360	26,627
Real Per Capita Personal Income ('87 $)	14,303	14,350	14,455	15,168	15,712	16,068	16,371	16,738
Population	6,134	6,455	6,784	7,216	7,580	7,905	8,168	8,391
Population Age 65 and Over	724	775	836	896	946	985	1,018	1,045
AC (International)								
Total Returns	1,145	1,800	1,770	1,802	1,744	1,821	1,920	2,035
Total Individual Returns	548	1,082	1,060	1,063	1,002	1,045	1,109	1,187
Corporation Returns	20	24	25	25	26	27	28	29
Employment Returns	202	220	217	224	212	217	221	225
Excise Tax Returns	3	4	4	6	8	10	12	15
Civilian Employment	0	0	0	0	0	0	0	0
Construction Employment	0	0	0	0	0	0	0	0
Finance, Real Estate, and Insurance Employment	0	0	0	0	0	0	0	0
Government Employment	0	0	0	0	0	0	0	0
Manufacturing Employment	0	0	0	0	0	0	0	0
Mining Employment	0	0	0	0	0	0	0	0
Services Employment	0	0	0	0	0	0	0	0
Transporation, Public Utilities Employment	0	0	0	0	0	0	0	0
Trade Employment	0	0	0	0	0	0	0	0
Personal Income ($)	0	0	0	0	0	0	0	0
Real Personal Income ('87 $)	0	0	0	0	0	0	0	0
Per Capita Personal Income ($)	0	0	0	0	0	0	0	0
Real Per Capita Personal Income ('87 $)	0	0	0	0	0	0	0	0
Population	0	0	0	0	0	0	0	0
Population Age 65 and Over	0	0	0	0	0	0	0	0

Notes: Actual return volumes are reported by location of taxpayer, not by processing site.
Return projections are presented in IRS Document 6149 —see Table Notes for further reference.
Economic and demographic data are reported as of July 1995. —see Table Notes for further reference.

Table 2. Return and Economic/Demographic Data by Old IRS Regions and Districts, 1988–2002

(total dollar amounts in millions; per capita dollar amounts in units; other amounts in thousands)

Item	Actual				Projected			
	1988	1990	1992	1994	1996	1998	2000	2002
United States								
Total Returns	195,135	203,223	206,003	205,781	209,845	215,778	221,825	227,960
Total Individual Returns	107,259	112,596	115,047	115,062	119,123	123,074	127,049	131,107
Corporation Returns	4,027	4,320	4,518	4,666	4,821	5,091	5,352	5,609
Employment Returns	28,335	28,911	28,717	29,274	28,682	29,090	29,592	30,084
Excise Tax Returns	983	852	832	823	813	838	866	898
Civilian Employment	114,978	117,915	117,599	123,065	126,894	130,928	134,284	137,373
Construction Employment	5,096	5,123	4,490	5,010	5,283	5,408	5,532	5,616
Finance, Real Estate, and Insurance Employment	6,630	6,709	6,605	6,933	6,974	7,072	7,275	7,465
Government Employment	17,387	18,302	18,644	19,118	19,603	20,081	20,573	20,991
Manufacturing Employment	19,313	19,081	18,104	18,305	17,969	18,010	17,862	17,689
Mining Employment	715	706	632	599	574	556	558	552
Services Employment	25,501	27,931	29,044	31,485	33,945	36,276	38,186	40,108
Transporation, Public Utilities Employment	5,514	5,792	5,724	6,008	6,245	6,319	6,368	6,413
Trade Employment	25,052	25,777	25,355	26,576	27,507	28,502	29,278	29,963
Personal Income ($)	4,075,920	4,673,770	5,154,300	5,701,710	6,312,090	6,985,390	7,721,960	8,543,470
Real Personal Income ('87 $)	3,910,320	4,066,920	4,173,960	4,409,300	4,640,520	4,864,160	5,066,700	5,262,770
Per Capita Personal Income ($)	16,615	18,673	20,151	21,841	23,722	25,782	28,018	30,490
Real Per Capita Personal Income ('87 $)	15,940	16,248	16,319	16,891	17,440	17,953	18,384	18,782
Population	245,309	250,270	255,767	261,030	266,072	270,914	275,619	280,236
Population Age 65 and Over	30,192	31,290	32,312	33,234	33,977	34,433	34,921	35,408
North Atlantic Region								
Total Returns	26,858	27,318	26,626	25,830	25,983	26,241	26,606	26,999
Total Individual Returns	14,223	14,591	14,304	13,976	14,155	14,293	14,515	14,755
Corporation Returns	680	737	734	734	734	763	760	816
Employment Returns	3,992	4,042	3,859	3,814	3,780	3,832	3,882	3,933
Excise Tax Returns	109	87	72	65	62	64	66	69
Civilian Employment	14,857	15,004	14,404	14,584	14,748	15,093	15,375	15,618
Construction Employment	686	582	429	463	485	501	512	511
Finance, Real Estate, and Insurance Employment	1,276	1,246	1,167	1,193	1,180	1,192	1,216	1,238
Government Employment	2,261	2,319	2,248	2,261	2,243	2,268	2,303	2,324
Manufacturing Employment	2,557	2,347	2,110	2,023	1,934	1,926	1,908	1,885
Mining Employment	12	9	8	8	8	8	8	8
Services Employment	3,996	4,183	4,133	4,450	4,738	5,012	5,218	5,430
Transporation, Public Utilities Employment	686	701	652	643	644	647	643	637
Trade Employment	3,256	3,166	2,933	3,018	3,080	3,156	3,213	3,258
Personal Income ($)	614,400	691,590	745,490	808,670	891,910	977,830	1,073,180	1,181,710
Real Personal Income ('87 $)	595,880	604,390	605,890	630,950	650,630	672,240	694,840	715,570
Per Capita Personal Income ($)	19,753	22,110	23,771	25,674	28,124	30,588	33,290	36,342
Real Per Capita Personal Income ('87 $)	19,158	19,323	19,320	20,031	20,516	21,029	21,554	22,007
Population	31,104	31,279	31,361	31,498	31,713	31,968	32,237	32,516
Population Age 65 and Over	4,074	4,125	4,188	4,247	4,289	4,302	4,323	4,347
Albany District								
Total Returns	1,749	1,817	1,806	1,755	1,769	1,783	1,810	1,841
Total Individual Returns	1,002	1,047	1,050	1,027	1,037	1,047	1,068	1,093
Corporation Returns	35	41	42	42	45	47	48	50
Employment Returns	244	252	243	237	239	243	246	250
Excise Tax Returns	9	7	6	6	6	6	6	6
Civilian Employment	944	986	961	989	1,000	1,024	1,045	1,065
Construction Employment	48	46	34	38	41	41	42	42
Finance, Real Estate, and Insurance Employment	45	46	48	48	47	48	49	50
Government Employment	227	237	232	234	229	232	236	239
Manufacturing Employment	142	138	127	115	109	108	107	106
Mining Employment	2	2	2	2	2	2	2	2
Services Employment	233	250	258	285	307	325	340	356
Transporation, Public Utilities Employment	38	40	38	42	43	44	44	44
Trade Employment	208	211	199	209	212	217	221	224
Personal Income ($)	37,010	42,560	46,110	50,040	55,750	60,800	66,690	73,520
Real Personal Income ('87 $)	36,020	37,430	37,750	39,320	40,560	41,550	42,920	44,190
Per Capita Personal Income ($)	16,162	18,266	19,538	21,114	23,326	25,228	27,332	29,765
Real Per Capita Personal Income ('87 $)	15,729	16,064	15,996	16,591	16,971	17,241	17,590	17,891
Population	2,285	2,325	2,357	2,372	2,391	2,414	2,440	2,467
Population Age 65 and Over	292	299	303	305	308	308	309	310

Notes: Actual return volumes are reported by location of taxpayer, not by processing site.
Return projections are presented in IRS Document 6149—see Table Notes for further reference

Table 2. Return and Economic/Demographic Data by Old IRS Regions and Districts, 1988–2002

(total dollar amounts in millions; per capita dollar amounts in units; other amounts in thousands)

Item	Actual				Projected			
	1988	1990	1992	1994	1996	1998	2000	2002
Augusta District								
Total Returns	996	1,040	1,016	1,010	1,016	1,038	1,064	1,093
Total Individual Returns	541	567	555	549	553	565	580	595
Corporation Returns	19	21	22	23	25	26	28	29
Employment Returns	161	167	158	159	157	159	161	165
Excise Tax Returns	8	7	7	7	6	6	6	5
Civilian Employment	575	600	613	575	585	601	614	625
Construction Employment	34	29	21	23	24	25	26	26
Finance, Real Estate, and Insurance Employment	25	25	25	27	26	27	27	28
Government Employment	90	94	94	92	94	96	98	99
Manufacturing Employment	108	102	92	93	90	89	88	87
Mining Employment	0	0	0	0	0	0	0	0
Services Employment	116	128	129	139	150	160	168	175
Transporation, Public Utilities Employment	21	22	22	22	22	23	23	23
Trade Employment	131	133	127	135	142	147	150	153
Personal Income ($)	18,460	20,990	22,460	24,740	27,260	30,150	33,250	36,790
Real Personal Income ('87 $)	17,800	18,330	18,260	19,080	20,130	21,080	21,890	22,710
Per Capita Personal Income ($)	15,256	17,065	18,113	19,952	21,635	23,555	25,577	28,084
Real Per Capita Personal Income ('87 $)	14,711	14,902	14,726	15,387	15,976	16,469	16,838	17,336
Population	1,208	1,233	1,240	1,243	1,260	1,280	1,296	1,312
Population Age 65 and Over	161	163	168	173	176	177	178	180
Boston District								
Total Returns	5,348	5,446	5,258	5,155	5,210	5,288	5,387	5,479
Total Individual Returns	2,898	2,942	2,826	2,783	2,814	2,851	2,905	2,954
Corporation Returns	116	125	123	123	130	136	141	147
Employment Returns	734	741	701	692	701	714	722	729
Excise Tax Returns	19	16	12	11	11	12	12	13
Civilian Employment	3,050	3,031	2,885	2,987	3,058	3,141	3,206	3,262
Construction Employment	146	104	74	90	95	100	101	102
Finance, Real Estate, and Insurance Employment	223	214	197	207	205	207	212	216
Government Employment	399	395	376	383	390	395	401	404
Manufacturing Employment	585	520	465	450	433	433	430	425
Mining Employment	2	1	1	1	1	1	1	1
Services Employment	897	917	912	1,007	1,076	1,140	1,190	1,239
Transporation, Public Utilities Employment	133	130	121	130	133	134	134	134
Trade Employment	737	698	640	674	692	710	724	734
Personal Income ($)	123,820	135,530	143,490	157,030	172,800	190,100	209,050	230,450
Real Personal Income ('87 $)	119,680	116,980	115,080	121,180	126,560	131,930	136,780	141,260
Per Capita Personal Income ($)	20,637	22,476	23,875	25,955	28,235	30,711	33,448	36,521
Real Per Capita Personal Income ('87 $)	19,947	19,400	19,148	20,030	20,680	21,313	21,885	22,387
Population	5,996	6,025	6,012	6,054	6,120	6,188	6,252	6,313
Population Age 65 and Over	817	817	835	851	863	869	875	882
Brooklyn District								
Total Returns	5,487	5,609	5,492	5,240	5,289	5,327	5,373	5,440
Total Individual Returns	3,034	3,105	3,072	2,983	3,038	3,070	3,105	3,157
Corporation Returns	166	178	179	178	166	171	176	181
Employment Returns	766	779	750	743	744	749	760	770
Excise Tax Returns	18	13	8	7	7	7	7	8
Civilian Employment	2,020	2,044	1,935	1,957	1,972	2,007	2,033	2,058
Construction Employment	122	115	87	88	87	86	86	85
Finance, Real Estate, and Insurance Employment	126	128	131	137	135	135	138	140
Government Employment	250	255	242	242	237	237	238	239
Manufacturing Employment	312	280	237	226	215	213	210	206
Mining Employment	0	0	0	0	0	0	0	0
Services Employment	563	594	602	637	673	710	734	761
Transporation, Public Utilities Employment	140	152	139	143	144	144	143	143
Trade Employment	510	490	453	459	469	478	485	490
Personal Income ($)	132,640	150,350	162,170	175,850	196,540	215,600	235,260	258,130
Real Personal Income ('87 $)	129,110	132,210	132,760	138,180	143,000	147,320	151,380	155,150
Per Capita Personal Income ($)	19,195	21,853	23,571	25,486	28,361	30,977	33,705	36,928
Real Per Capita Personal Income ('87 $)	18,685	19,217	19,297	20,026	20,635	21,167	21,688	22,196
Population	6,913	6,877	6,880	6,897	6,929	6,957	6,977	6,994
Population Age 65 and Over	888	896	900	907	914	913	913	913

Notes: Actual return volumes are reported by location of taxpayer, not by processing site.
Return projections are presented in IRS Document 6149—see Table Notes for further reference.
Economic and demographic data are reported as of July 1995.—see Table Notes for further reference.

Table 2. Return and Economic/Demographic Data by Old IRS Regions and Districts, 1988–2002

(total dollar amounts in millions; per capita dollar amounts in units; other amounts in thousands)

Item	Actual				Projected			
	1988	1990	1992	1994	1996	1998	2000	2002
Buffalo District								
Total Returns	3,380	3,497	3,477	3,333	3,337	3,348	3,380	3,417
Total Individual Returns	1,991	2,070	2,072	2,009	2,028	2,038	2,067	2,100
Corporation Returns	54	61	62	62	66	69	72	75
Employment Returns	440	453	442	431	431	437	443	449
Excise Tax Returns	16	12	12	11	11	12	12	13
Civilian Employment	1,979	2,070	2,025	2,059	2,085	2,132	2,174	2,212
Construction Employment	82	84	67	71	75	77	79	79
Finance, Real Estate, and Insurance Employment	98	100	98	98	97	98	101	103
Government Employment	339	353	349	355	354	359	367	372
Manufacturing Employment	450	434	405	384	366	364	360	357
Mining Employment	3	3	2	2	2	2	2	2
Services Employment	476	513	526	571	615	656	687	722
Transporation, Public Utilities Employment	82	86	84	88	89	89	89	89
Trade Employment	450	465	445	459	466	478	488	496
Personal Income ($)	70,160	79,950	86,600	93,260	103,440	112,140	122,540	135,000
Real Personal Income ('87 $)	68,290	70,310	70,890	73,280	75,260	76,630	78,850	81,140
Per Capita Personal Income ($)	15,386	17,305	18,584	20,013	22,103	23,860	25,907	28,243
Real Per Capita Personal Income ('87 $)	14,976	15,219	15,212	15,725	16,081	16,304	16,670	16,975
Population	4,561	4,623	4,661	4,664	4,681	4,699	4,732	4,779
Population Age 65 and Over	609	633	644	652	661	665	672	681
Burlington District								
Total Returns	509	535	530	531	537	549	566	582
Total Individual Returns	253	267	265	264	267	271	280	288
Corporation Returns	12	14	14	15	16	17	18	18
Employment Returns	95	98	95	96	95	97	98	100
Excise Tax Returns	4	3	3	3	3	3	3	3
Civilian Employment	291	292	299	298	308	318	327	334
Construction Employment	18	15	11	12	13	14	14	14
Finance, Real Estate, and Insurance Employment	12	13	12	12	12	13	13	13
Government Employment	40	43	43	44	45	46	48	48
Manufacturing Employment	50	46	44	44	43	43	43	43
Mining Employment	1	1	1	1	1	1	1	1
Services Employment	64	69	70	76	83	89	93	98
Transporation, Public Utilities Employment	11	11	11	11	12	12	12	12
Trade Employment	60	60	58	62	63	65	67	68
Personal Income ($)	8,630	9,890	10,780	11,800	13,120	14,610	16,270	18,100
Real Personal Income ('87 $)	8,260	8,600	8,730	9,180	9,720	10,240	10,690	11,120
Per Capita Personal Income ($)	15,691	17,351	18,912	20,345	22,237	23,951	26,242	28,730
Real Per Capita Personal Income ('87 $)	15,018	15,088	15,316	15,828	16,475	16,787	17,242	17,651
Population	552	566	573	582	593	606	617	628
Population Age 65 and Over	65	66	68	71	72	73	74	75
Hartford District								
Total Returns	3,164	3,198	3,055	2,949	2,959	2,980	3,012	3,041
Total Individual Returns	1,650	1,671	1,604	1,553	1,570	1,581	1,600	1,616
Corporation Returns	67	75	72	72	75	77	79	81
Employment Returns	440	445	420	414	411	417	422	426
Excise Tax Returns	12	10	9	8	7	7	7	7
Civilian Employment	1,687	1,688	1,651	1,685	1,679	1,718	1,749	1,773
Construction Employment	83	64	48	49	51	53	55	55
Finance, Real Estate, and Insurance Employment	153	152	143	140	138	141	145	148
Government Employment	202	207	201	208	210	213	216	218
Manufacturing Employment	373	342	306	286	270	269	267	263
Mining Employment	2	1	1	1	1	1	1	1
Services Employment	410	430	425	460	490	518	540	561
Transporation, Public Utilities Employment	73	73	68	70	72	72	72	71
Trade Employment	376	362	331	329	332	340	346	351
Personal Income ($)	75,400	83,920	89,450	95,890	104,060	113,750	124,580	136,700
Real Personal Income ('87 $)	72,960	73,060	72,380	74,370	75,820	78,310	80,730	82,920
Per Capita Personal Income ($)	22,988	25,508	27,188	29,235	31,533	34,262	37,188	40,444
Real Per Capita Personal Income ('87 $)	22,244	22,207	22,000	22,674	22,976	23,587	24,099	24,533
Population	3,279	3,295	3,285	3,281	3,299	3,324	3,351	3,379
Population Age 65 and Over	439	445	456	465	470	473	476	479

Notes: Actual return volumes are reported by location of taxpayer, not by processing site.
Return projections are presented in IRS Document 6149—see Table Notes for further reference.
Economic and demographic data are reported as of July 1995.—see Table Notes for further reference.

Table 2. Return and Economic/Demographic Data by Old IRS Regions and Districts, 1988–2002

(total dollar amounts in millions; per capita dollar amounts in units; other amounts in thousands)

Item	Actual				Projected			
	1988	1990	1992	1994	1996	1998	2000	2002
Manhattan District								
Total Returns	4,352	4,299	4,179	4,051	4,044	4,076	4,118	4,170
Total Individual Returns	1,859	1,898	1,870	1,825	1,857	1,864	1,876	1,895
Corporation Returns	169	175	174	171	163	168	173	178
Employment Returns	825	820	781	772	731	737	747	757
Excise Tax Returns	13	10	7	5	5	5	5	5
Civilian Employment	3,220	3,223	2,970	2,970	2,977	3,032	3,082	3,122
Construction Employment	94	83	59	62	66	70	73	72
Finance, Real Estate, and Insurance Employment	534	509	459	468	465	467	474	481
Government Employment	589	603	580	567	544	547	552	556
Manufacturing Employment	307	278	245	237	225	223	221	217
Mining Employment	1	1	1	1	1	1	1	1
Services Employment	1,000	1,025	951	991	1,038	1,088	1,124	1,160
Transporation, Public Utilities Employment	153	154	139	139	141	141	141	141
Trade Employment	544	520	466	463	471	480	485	490
Personal Income ($)	109,950	126,350	139,120	150,590	164,380	180,340	198,790	219,260
Real Personal Income ('87 $)	107,030	111,110	113,890	118,330	119,600	123,220	127,920	131,780
Per Capita Personal Income ($)	26,055	29,941	32,889	35,267	38,496	42,037	45,910	50,174
Real Per Capita Personal Income ('87 $)	25,363	26,329	26,924	27,712	28,009	28,723	29,543	30,156
Population	4,223	4,218	4,233	4,266	4,266	4,293	4,334	4,375
Population Age 65 and Over	534	531	530	532	529	525	523	521
Portsmouth District								
Total Returns	993	1,011	978	977	992	1,015	1,046	1,075
Total Individual Returns	533	551	533	537	542	550	568	583
Corporation Returns	20	22	22	23	24	25	26	27
Employment Returns	155	154	142	143	145	148	150	153
Excise Tax Returns	7	5	5	5	5	5	5	5
Civilian Employment	583	592	584	597	613	636	653	667
Construction Employment	37	23	16	18	20	21	22	22
Finance, Real Estate, and Insurance Employment	33	32	29	30	30	30	31	32
Government Employment	67	71	71	75	78	80	83	84
Manufacturing Employment	118	108	99	101	99	101	100	99
Mining Employment	1	0	0	0	0	0	0	0
Services Employment	119	128	129	144	157	168	177	186
Transporation, Public Utilities Employment	18	18	17	19	19	19	20	20
Trade Employment	135	129	123	132	136	141	145	149
Personal Income ($)	21,320	23,200	25,220	27,960	30,900	34,300	38,120	42,210
Real Personal Income ('87 $)	20,110	19,650	19,690	20,710	22,010	23,220	24,230	25,170
Per Capita Personal Income ($)	19,560	20,901	22,518	24,526	26,410	28,824	31,504	34,317
Real Per Capita Personal Income ('87 $)	18,450	17,703	17,580	18,167	18,812	19,513	20,025	20,463
Population	1,088	1,111	1,117	1,140	1,168	1,191	1,213	1,235
Population Age 65 and Over	123	125	131	136	139	141	143	145
Providence District								
Total Returns	845	865	835	828	831	838	850	861
Total Individual Returns	462	474	457	447	450	456	466	475
Corporation Returns	22	24	25	24	26	27	28	29
Employment Returns	131	133	126	125	128	131	132	134
Excise Tax Returns	4	3	2	2	2	2	2	2
Civilian Employment	509	479	480	468	472	483	492	500
Construction Employment	22	19	12	12	13	14	14	14
Finance, Real Estate, and Insurance Employment	27	27	25	26	25	26	26	27
Government Employment	58	61	60	61	62	63	64	65
Manufacturing Employment	112	99	90	87	84	83	82	82
Mining Employment	0	0	0	0	0	0	0	0
Services Employment	118	129	131	140	149	158	165	172
Transporation, Public Utilities Employment	16	16	14	15	15	15	15	15
Trade Employment	105	98	91	96	97	100	102	103
Personal Income ($)	17,010	18,850	20,090	21,510	23,660	26,060	28,630	31,550
Real Personal Income ('87 $)	16,620	16,710	16,460	17,320	17,970	18,740	19,450	20,130
Per Capita Personal Income ($)	17,010	18,663	20,090	21,510	23,426	25,549	28,069	30,631
Real Per Capita Personal Income ('87 $)	16,620	16,545	16,460	17,320	17,792	18,373	19,069	19,544
Population	999	1,006	1,003	999	1,006	1,016	1,025	1,034
Population Age 65 and Over	146	150	153	155	157	158	160	161

Notes: Actual return volumes are reported by location of taxpayer, not by processing site.
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Economic and demographic data are reported as of July 1995.—see Table Notes for further reference.

Table 2. Return and Economic/Demographic Data by Old IRS Regions and Districts, 1988–2002

(total dollar amounts in millions; per capita dollar amounts in units; other amounts in thousands)

Item	Actual				Projected			
	1988	1990	1992	1994	1996	1998	2000	2002
Mid-Atlantic Region								
Total Returns	26,550	27,123	27,221	26,982	27,484	28,092	28,734	29,402
Total Individual Returns	14,805	15,080	15,157	15,004	15,522	15,927	16,344	16,779
Corporation Returns	542	589	626	631	661	706	751	795
Employment Returns	3,666	3,743	3,664	3,712	3,557	3,592	3,643	3,694
Excise Tax Returns	112	83	88	84	81	81	82	83
Civilian Employment	15,260	15,319	15,259	15,627	16,014	16,458	16,817	17,186
Construction Employment	807	764	605	654	687	697	715	727
Finance, Real Estate, and Insurance Employment	878	896	875	920	927	933	955	978
Government Employment	2,464	2,553	2,560	2,595	2,602	2,633	2,672	2,711
Manufacturing Employment	2,442	2,331	2,154	2,117	2,058	2,049	2,034	2,014
Mining Employment	49	46	40	35	32	30	30	29
Services Employment	3,804	4,129	4,200	4,481	4,794	5,082	5,319	5,577
Transporation, Public Utilities Employment	777	792	773	774	779	785	782	780
Trade Employment	3,327	3,358	3,219	3,337	3,452	3,555	3,635	3,711
Personal Income ($)	592,750	675,110	738,270	813,930	899,580	991,150	1,090,480	1,200,510
Real Personal Income ('87 $)	564,760	582,900	593,270	618,570	647,500	674,130	697,200	721,910
Per Capita Personal Income ($)	18,748	21,093	22,745	24,765	26,984	29,320	31,862	34,597
Real Per Capita Personal Income ('87 $)	17,863	18,212	18,278	18,821	19,422	19,942	20,371	20,804
Population	31,617	32,007	32,459	32,866	33,338	33,804	34,225	34,700
Population Age 65 and Over	4,066	4,202	4,339	4,456	4,533	4,578	4,623	4,675
Baltimore District								
Total Returns	4,562	4,686	4,752	4,833	4,917	5,051	5,198	5,349
Total Individual Returns	2,542	2,611	2,622	2,596	2,685	2,752	2,827	2,907
Corporation Returns	92	101	109	112	123	132	142	151
Employment Returns	649	654	644	668	594	601	609	618
Excise Tax Returns	15	10	11	11	10	10	10	10
Civilian Employment	2,655	2,680	2,696	2,821	2,939	3,034	3,117	3,209
Construction Employment	180	174	130	134	134	136	144	150
Finance, Real Estate, and Insurance Employment	165	168	162	163	163	164	167	172
Government Employment	662	684	688	690	682	676	680	688
Manufacturing Employment	227	221	198	192	190	193	193	193
Mining Employment	2	2	1	1	1	1	1	1
Services Employment	813	883	888	930	980	1,030	1,071	1,129
Transporation, Public Utilities Employment	122	126	121	120	121	123	124	125
Trade Employment	597	591	555	562	585	609	627	645
Personal Income ($)	104,750	120,390	130,300	143,300	159,060	176,570	196,100	217,090
Real Personal Income ('87 $)	101,280	105,580	106,190	111,140	116,630	121,600	126,870	132,170
Per Capita Personal Income ($)	19,727	22,212	23,648	25,635	27,856	30,338	33,013	35,764
Real Per Capita Personal Income ('87 $)	19,073	19,480	19,272	19,882	20,426	20,893	21,359	21,774
Population	5,306	5,419	5,513	5,590	5,708	5,818	5,937	6,067
Population Age 65 and Over	578	596	617	638	654	665	678	692
Newark District								
Total Returns	7,230	7,173	7,118	6,986	7,065	7,136	7,231	7,334
Total Individual Returns	3,943	3,813	3,805	3,760	3,823	3,865	3,921	3,979
Corporation Returns	202	214	221	221	213	225	236	246
Employment Returns	1,023	1,038	1,005	1,013	1,017	1,023	1,037	1,051
Excise Tax Returns	29	23	20	19	19	19	20	21
Civilian Employment	3,821	3,809	3,651	3,717	3,798	3,889	3,962	4,039
Construction Employment	173	150	111	126	133	136	137	138
Finance, Real Estate, and Insurance Employment	238	239	227	237	237	237	243	248
Government Employment	540	561	557	557	557	568	576	581
Manufacturing Employment	662	595	530	512	494	492	489	484
Mining Employment	2	2	2	2	2	2	2	2
Services Employment	915	980	978	1,054	1,123	1,188	1,241	1,294
Transporation, Public Utilities Employment	242	237	230	244	250	250	250	250
Trade Employment	872	861	809	840	868	888	903	917
Personal Income ($)	173,240	194,390	211,030	232,720	258,060	282,910	310,800	342,650
Real Personal Income ('87 $)	161,340	163,510	165,890	171,660	178,670	185,090	190,210	195,530
Per Capita Personal Income ($)	22,411	25,050	26,951	29,384	32,217	35,014	38,135	41,584
Real Per Capita Personal Income ('87 $)	20,872	21,071	21,186	21,674	22,306	22,907	23,339	23,729
Population	7,728	7,758	7,831	7,922	8,006	8,080	8,148	8,242
Population Age 65 and Over	1,005	1,031	1,058	1,080	1,095	1,101	1,108	1,119

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Economic and demographic data are reported as of July 1995.—see Table Notes for further reference.

Table 2. Return and Economic/Demographic Data by Old IRS Regions and Districts, 1988–2002
(total dollar amounts in millions; per capita dollar amounts in units; other amounts in thousands)

Item	Actual				Projected			
	1988	1990	1992	1994	1996	1998	2000	2002
Philadelphia District								
Total Returns	6,201	6,361	6,331	6,157	6,322	6,435	6,560	6,688
Total Individual Returns	3,431	3,544	3,540	3,467	3,634	3,727	3,829	3,933
Corporation Returns	103	114	122	119	129	138	146	155
Employment Returns	797	807	786	773	767	776	786	798
Excise Tax Returns	28	21	22	21	19	20	20	20
Civilian Employment	3,660	3,612	3,574	3,578	3,589	3,670	3,734	3,789
Construction Employment	165	157	126	132	138	139	141	143
Finance, Real Estate, and Insurance Employment	213	215	218	222	221	221	226	230
Government Employment	444	453	450	456	455	460	467	472
Manufacturing Employment	742	704	656	647	625	621	614	607
Mining Employment	5	5	5	5	4	4	4	4
Services Employment	883	955	978	1,026	1,094	1,154	1,204	1,254
Transporation, Public Utilities Employment	162	166	163	171	175	176	176	175
Trade Employment	756	768	739	746	757	773	785	797
Personal Income ($)	131,000	149,340	163,510	178,220	195,110	213,780	232,910	253,590
Real Personal Income ('87 $)	126,600	131,280	133,540	137,830	142,830	148,030	152,340	157,070
Per Capita Personal Income ($)	17,443	19,702	21,402	23,145	25,111	27,233	29,408	31,818
Real Per Capita Personal Income ('87 $)	16,858	17,319	17,479	17,900	18,382	18,857	19,235	19,708
Population	7,513	7,576	7,643	7,698	7,767	7,849	7,918	7,975
Population Age 65 and Over	1,082	1,118	1,148	1,171	1,183	1,188	1,192	1,194
Pittsburgh District								
Total Returns	3,284	3,379	3,391	3,294	3,382	3,429	3,481	3,540
Total Individual Returns	1,877	1,940	1,957	1,911	2,007	2,054	2,103	2,159
Corporation Returns	42	46	49	49	53	57	61	65
Employment Returns	432	441	437	432	433	437	443	449
Excise Tax Returns	19	14	18	17	16	16	16	16
Civilian Employment	1,808	1,833	1,851	1,887	1,915	1,964	2,002	2,036
Construction Employment	71	75	73	77	82	84	86	88
Finance, Real Estate, and Insurance Employment	83	87	84	92	92	92	94	96
Government Employment	237	240	238	249	254	258	264	268
Manufacturing Employment	314	313	296	296	289	286	282	277
Mining Employment	24	22	19	15	14	13	13	13
Services Employment	450	492	511	535	570	603	631	659
Transporation, Public Utilities Employment	91	100	99	105	108	108	108	108
Trade Employment	396	407	408	428	443	453	460	466
Personal Income ($)	64,720	73,900	82,430	91,320	100,710	110,630	121,000	131,990
Real Personal Income ('87 $)	62,550	64,960	67,320	70,630	73,720	76,600	79,150	81,750
Per Capita Personal Income ($)	14,844	16,989	18,863	20,849	22,889	24,973	27,191	29,462
Real Per Capita Personal Income ('87 $)	14,346	14,933	15,405	16,126	16,755	17,291	17,787	18,248
Population	4,360	4,351	4,371	4,377	4,397	4,430	4,455	4,479
Population Age 65 and Over	683	710	733	750	761	768	775	782
Richmond District								
Total Returns	4,706	4,934	5,019	5,101	5,171	5,386	5,592	5,800
Total Individual Returns	2,707	2,849	2,903	2,940	3,029	3,165	3,290	3,415
Corporation Returns	88	99	106	111	121	131	141	151
Employment Returns	683	716	703	735	657	666	675	685
Excise Tax Returns	17	13	15	14	14	14	14	14
Civilian Employment	2,978	3,043	3,136	3,260	3,399	3,516	3,609	3,711
Construction Employment	196	187	147	166	180	181	186	186
Finance, Real Estate, and Insurance Employment	150	155	151	168	174	178	183	189
Government Employment	534	568	579	593	603	619	632	647
Manufacturing Employment	427	426	407	406	397	395	394	391
Mining Employment	16	15	13	12	11	10	10	9
Services Employment	666	734	760	842	926	1,000	1,060	1,123
Transporation, Public Utilities Employment	145	150	147	156	164	166	168	170
Trade Employment	632	655	633	682	717	748	774	798
Personal Income ($)	107,260	122,880	135,630	151,380	167,960	186,810	207,070	230,130
Real Personal Income ('87 $)	102,050	106,050	108,480	114,780	122,480	129,050	134,470	140,630
Per Capita Personal Income ($)	17,700	19,724	21,159	23,041	24,920	27,113	29,497	32,096
Real Per Capita Personal Income ('87 $)	16,840	17,022	16,924	17,470	18,172	18,730	19,155	19,614
Population	6,059	6,231	6,409	6,571	6,736	6,889	7,018	7,175
Population Age 65 and Over	642	666	698	727	748	762	775	791

Notes: Actual return volumes are reported by location of taxpayer, not by processing site.
Return projections are presented in IRS Document 6149—see Table Notes for further reference.
Economic and demographic data are reported as of July 1995.—see Table Notes for further reference.

Table 2. Return and Economic/Demographic Data by Old IRS Regions and Districts, 1988–2002

(total dollar amounts in millions; per capita dollar amounts in units; other amounts in thousands)

Item	Actual				Projected			
	1988	1990	1992	1994	1996	1998	2000	2002
Wilmington District								
Total Returns	566	590	609	611	627	654	672	691
Total Individual Returns	305	322	330	331	345	364	374	386
Corporation Returns	15	17	18	19	21	23	25	27
Employment Returns	83	87	89	92	89	90	92	93
Excise Tax Returns	3	2	2	2	2	2	2	2
Civilian Employment	338	342	351	364	374	385	393	402
Construction Employment	22	21	18	19	20	21	21	22
Finance, Real Estate, and Insurance Employment	29	32	33	38	40	41	42	43
Government Employment	47	47	48	50	51	52	53	55
Manufacturing Employment	70	72	67	64	63	62	62	62
Mining Employment	0	0	0	0	0	0	0	0
Services Employment	77	85	85	94	101	107	112	118
Transporation, Public Utilities Employment	14	15	15	16	16	16	17	17
Trade Employment	74	76	75	79	82	84	86	88
Personal Income ($)	11,780	14,210	15,370	16,990	18,680	20,450	22,600	25,060
Real Personal Income ('87 $)	10,940	11,520	11,850	12,530	13,170	13,760	14,160	14,760
Per Capita Personal Income ($)	18,123	21,209	22,275	23,930	25,944	27,635	30,133	32,974
Real Per Capita Personal Income ('87 $)	16,831	17,194	17,174	17,648	18,292	18,595	18,880	19,421
Population	651	672	692	708	724	738	749	762
Population Age 65 and Over	76	81	85	90	92	94	95	97
Southeast Region								
Total Returns	34,860	36,686	37,623	38,240	39,338	40,929	42,417	43,986
Total Individual Returns	19,506	20,654	21,408	21,816	22,882	23,987	25,031	26,102
Corporation Returns	778	854	921	978	1,041	1,117	1,190	1,263
Employment Returns	5,353	5,441	5,431	5,583	5,374	5,479	5,603	5,724
Excise Tax Returns	174	154	153	154	154	158	164	170
Civilian Employment	21,234	21,894	21,966	23,428	24,518	25,452	26,229	26,962
Construction Employment	1,104	1,104	953	1,092	1,164	1,201	1,232	1,256
Finance, Real Estate, and Insurance Employment	1,062	1,072	1,047	1,115	1,135	1,158	1,199	1,237
Government Employment	3,221	3,455	3,549	3,713	3,878	4,007	4,137	4,249
Manufacturing Employment	3,898	3,888	3,800	3,926	3,894	3,913	3,884	3,864
Mining Employment	110	109	92	87	87	85	85	85
Services Employment	4,131	4,647	4,985	5,641	6,212	6,704	7,111	7,511
Transporation, Public Utilities Employment	1,045	1,109	1,095	1,121	1,136	1,156	1,162	1,166
Trade Employment	4,694	4,881	4,870	5,220	5,462	5,697	5,884	6,056
Personal Income ($)	675,880	781,200	872,790	990,600	1,105,460	1,235,720	1,377,370	1,535,440
Real Personal Income ('87 $)	648,830	681,740	706,680	764,960	818,080	868,010	913,580	958,240
Per Capita Personal Income ($)	14,459	16,290	17,701	19,524	21,199	23,141	25,221	27,512
Real Per Capita Personal Income ('87 $)	13,880	14,216	14,332	15,077	15,688	16,255	16,728	17,170
Population	46,744	47,956	49,308	50,738	52,148	53,399	54,613	55,809
Population Age 65 and Over	6,214	6,528	6,778	7,019	7,251	7,400	7,554	7,706
Atlanta District								
Total Returns	4,488	4,710	4,874	5,064	5,225	5,478	5,707	5,925
Total Individual Returns	2,658	2,809	2,924	3,023	3,159	3,312	3,439	3,555
Corporation Returns	93	103	113	123	131	142	154	165
Employment Returns	721	729	732	762	731	749	769	788
Excise Tax Returns	22	19	21	21	20	21	22	23
Civilian Employment	2,968	3,024	3,000	3,403	3,539	3,675	3,783	3,885
Construction Employment	154	150	121	145	158	162	167	169
Finance, Real Estate, and Insurance Employment	162	165	163	172	174	179	185	191
Government Employment	485	522	528	558	585	605	624	639
Manufacturing Employment	575	560	545	573	567	568	563	560
Mining Employment	9	8	8	7	7	7	7	7
Services Employment	574	637	676	800	910	983	1,039	1,097
Transporation, Public Utilities Employment	182	199	198	211	216	220	223	227
Trade Employment	730	742	739	807	846	877	909	937
Personal Income ($)	97,580	111,180	125,380	144,230	161,140	179,550	198,950	220,810
Real Personal Income ('87 $)	94,170	97,320	101,700	111,010	120,240	127,710	133,710	139,680
Per Capita Personal Income ($)	15,391	17,000	18,465	20,371	22,135	23,972	25,973	28,237
Real Per Capita Personal Income ('87 $)	14,853	14,881	14,978	15,679	16,516	17,051	17,456	17,862
Population	6,340	6,536	6,793	7,075	7,284	7,487	7,655	7,818
Population Age 65 and Over	635	657	685	711	734	751	766	780

Notes: Actual return volumes are reported by location of taxpayer, not by processing site.
Return projections are presented in IRS Document 6149—see Table Notes for further reference.
Economic and demographic data are reported as of July 1995.—see Table Notes for further reference.

Table 2. Return and Economic/Demographic Data by Old IRS Regions and Districts, 1988–2002

(total dollar amounts in millions; per capita dollar amounts in units; other amounts in thousands)

Item	Actual				Projected			
	1988	1990	1992	1994	1996	1998	2000	2002
Birmingham District								
Total Returns	2,612	2,737	2,826	2,867	2,918	3,014	3,102	3,198
Total Individual Returns	1,583	1,666	1,734	1,760	1,825	1,895	1,956	2,026
Corporation Returns	42	46	49	52	55	58	62	65
Employment Returns	414	419	416	427	395	398	405	412
Excise Tax Returns	17	15	15	15	15	15	15	16
Civilian Employment	1,737	1,754	1,791	1,891	1,979	2,042	2,081	2,114
Construction Employment	80	85	76	83	87	89	90	91
Finance, Real Estate, and Insurance Employment	71	74	74	79	80	81	84	86
Government Employment	304	321	332	340	351	360	369	376
Manufacturing Employment	381	384	380	387	387	390	387	384
Mining Employment	11	13	11	10	10	9	9	9
Services Employment	290	316	346	371	399	426	447	468
Transporation, Public Utilities Employment	79	84	83	87	90	91	91	92
Trade Employment	339	354	365	389	402	417	427	436
Personal Income ($)	72,600	80,400	88,540	96,650	84,470	93,350	102,550	112,900
Real Personal Income ('87 $)	50,560	52,700	55,480	58,890	62,370	65,390	67,890	70,340
Per Capita Personal Income ($)	13,052	14,877	16,556	18,121	19,553	21,313	23,045	25,089
Real Per Capita Personal Income ('87 $)	12,546	12,980	13,401	13,922	14,437	14,929	15,256	15,631
Population	4,033	4,063	4,144	4,231	4,317	4,385	4,446	4,501
Population Age 65 and Over	503	524	539	554	567	574	580	585
Columbia District								
Total Returns	2,326	2,482	2,551	2,580	2,673	2,781	2,902	3,008
Total Individual Returns	1,410	1,509	1,558	1,581	1,675	1,741	1,818	1,882
Corporation Returns	44	49	52	55	58	63	68	73
Employment Returns	369	375	373	381	358	366	376	385
Excise Tax Returns	10	9	9	9	9	10	10	10
Civilian Employment	1,585	1,634	1,658	1,716	1,793	1,851	1,896	1,940
Construction Employment	93	104	80	85	88	91	94	98
Finance, Real Estate, and Insurance Employment	66	67	66	68	69	71	73	75
Government Employment	256	277	287	297	301	309	317	324
Manufacturing Employment	385	382	371	374	367	368	362	358
Mining Employment	2	2	2	2	2	2	2	1
Services Employment	258	294	310	348	380	411	435	459
Transporation, Public Utilities Employment	62	67	65	69	71	73	74	75
Trade Employment	324	347	342	362	378	393	404	413
Personal Income ($)	45,220	52,930	58,630	65,270	71,620	79,140	87,310	96,710
Real Personal Income ('87 $)	43,340	46,170	47,360	50,230	53,120	55,870	58,200	60,720
Per Capita Personal Income ($)	13,184	15,037	16,286	17,736	19,048	20,663	22,445	24,422
Real Per Capita Personal Income ('87 $)	12,636	13,110	13,156	13,649	14,128	14,587	14,961	15,333
Population	3,426	3,515	3,605	3,676	3,762	3,830	3,893	3,958
Population Age 65 and Over	372	398	418	436	450	457	464	472
Fort Lauderdale District								
Total Returns	5,466	5,893	6,026	6,083	6,262	6,534	6,811	7,103
Total Individual Returns	2,455	2,685	2,802	2,847	3,023	3,216	3,417	3,635
Corporation Returns	193	217	238	257	275	297	318	340
Employment Returns	822	865	881	917	910	931	955	979
Excise Tax Returns	15	12	12	11	11	11	11	12
Civilian Employment	2,456	2,544	2,503	2,684	2,811	2,935	3,042	3,151
Construction Employment	159	148	114	140	145	151	156	161
Finance, Real Estate, and Insurance Employment	175	175	161	167	167	170	178	186
Government Employment	282	311	324	342	363	378	395	411
Manufacturing Employment	204	195	180	180	175	176	175	175
Mining Employment	2	2	1	1	1	1	1	1
Services Employment	604	680	710	819	890	957	1,013	1,066
Transporation, Public Utilities Employment	124	133	127	138	142	145	147	150
Trade Employment	604	630	616	664	693	727	749	774
Personal Income ($)	99,010	119,150	125,770	145,220	162,680	184,460	209,170	236,780
Real Personal Income ('87 $)	95,300	104,390	102,730	112,500	120,350	129,040	137,730	146,360
Per Capita Personal Income ($)	18,752	21,353	21,722	24,244	26,154	28,732	31,597	34,718
Real Per Capita Personal Income ('87 $)	18,049	18,708	17,743	18,781	19,349	20,100	20,805	21,460
Population	5,279	5,581	5,790	5,991	6,222	6,422	6,620	6,820
Population Age 65 and Over	1,050	1,128	1,171	1,216	1,261	1,290	1,320	1,350

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Economic and demographic data are reported as of July 1995—see Table Notes for further reference.

Table 2. Return and Economic/Demographic Data by Old IRS Regions and Districts, 1988–2002

(total dollar amounts in millions; per capita dollar amounts in units; other amounts in thousands)

Item	Actual				Projected			
	1988	1990	1992	1994	1996	1998	2000	2002
Greensboro District								
Total Returns	4,849	5,130	5,228	5,364	5,534	5,734	5,923	6,118
Total Individual Returns	2,832	2,999	3,074	3,165	3,305	3,429	3,541	3,659
Corporation Returns	88	99	106	111	118	126	133	140
Employment Returns	752	770	760	772	742	749	762	775
Excise Tax Returns	25	24	23	23	23	25	26	28
Civilian Employment	3,196	3,312	3,330	3,450	3,617	3,754	3,868	3,979
Construction Employment	169	168	146	170	179	186	185	185
Finance, Real Estate, and Insurance Employment	131	135	135	148	153	157	163	169
Government Employment	450	483	494	539	569	592	612	629
Manufacturing Employment	868	860	834	858	846	845	837	833
Mining Employment	5	5	3	3	3	3	3	3
Services Employment	527	593	640	726	796	863	914	969
Transporation, Public Utilities Employment	148	153	154	160	166	169	172	175
Trade Employment	683	713	709	753	787	823	853	880
Personal Income ($)	94,660	109,330	123,640	138,510	152,260	168,910	186,520	206,820
Real Personal Income ('87 $)	90,070	94,650	99,070	108,080	114,920	121,230	126,610	131,980
Per Capita Personal Income ($)	14,541	16,367	17,997	19,536	20,915	22,642	24,478	26,584
Real Per Capita Personal Income ('87 $)	13,836	14,169	14,421	15,244	15,786	16,251	16,615	16,964
Population	6,506	6,680	6,865	7,092	7,284	7,457	7,618	7,784
Population Age 65 and Over	774	807	848	887	917	936	955	975
Jackson District								
Total Returns	1,583	1,648	1,683	1,716	1,752	1,819	1,887	1,946
Total Individual Returns	942	993	1,028	1,057	1,108	1,165	1,224	1,274
Corporation Returns	27	29	30	32	34	36	37	39
Employment Returns	266	264	259	263	243	245	248	251
Excise Tax Returns	13	11	11	12	12	12	13	13
Civilian Employment	1,045	1,089	1,083	1,157	1,196	1,224	1,244	1,263
Construction Employment	36	38	36	43	44	44	44	45
Finance, Real Estate, and Insurance Employment	39	39	38	40	40	41	42	43
Government Employment	192	200	204	210	215	220	225	228
Manufacturing Employment	239	246	252	261	259	260	258	256
Mining Employment	6	6	5	5	5	5	5	5
Services Employment	146	161	175	213	230	246	257	269
Transporation, Public Utilities Employment	44	45	45	46	48	48	48	48
Trade Employment	191	198	201	218	223	230	235	239
Personal Income ($)	28,950	32,570	37,110	42,160	46,290	51,020	56,050	61,300
Real Personal Income ('87 $)	27,780	28,300	29,870	32,490	34,180	35,830	37,290	38,680
Per Capita Personal Income ($)	11,221	12,624	14,164	15,731	17,018	18,553	20,235	21,893
Real Per Capita Personal Income ('87 $)	10,767	10,969	11,401	12,123	12,566	13,029	13,462	13,814
Population	2,585	2,585	2,621	2,676	2,718	2,749	2,774	2,803
Population Age 65 and Over	316	321	327	333	339	341	343	345
Jacksonville District								
Total Returns	5,699	6,016	6,184	6,215	6,418	6,709	7,004	7,313
Total Individual Returns	3,072	3,267	3,410	3,435	3,630	3,841	4,061	4,298
Corporation Returns	136	151	167	173	185	199	214	228
Employment Returns	793	814	814	828	820	845	871	895
Excise Tax Returns	21	18	18	19	18	18	19	20
Civilian Employment	3,315	3,479	3,486	3,688	3,945	4,162	4,363	4,545
Construction Employment	196	183	154	174	191	203	213	221
Finance, Real Estate, and Insurance Employment	193	197	193	209	217	220	228	235
Government Employment	476	520	531	556	591	618	645	669
Manufacturing Employment	336	326	302	307	302	307	308	309
Mining Employment	7	7	6	5	5	5	5	5
Services Employment	791	916	981	1,111	1,243	1,362	1,470	1,569
Transporation, Public Utilities Employment	136	146	149	157	163	166	170	173
Trade Employment	770	809	793	845	900	952	994	1,033
Personal Income ($)	106,140	124,760	138,370	158,980	180,670	205,800	234,580	265,950
Real Personal Income ('87 $)	102,160	109,300	113,020	123,150	133,660	143,970	154,460	164,390
Per Capita Personal Income ($)	14,949	16,657	17,808	19,823	21,560	23,655	26,007	28,505
Real Per Capita Personal Income ('87 $)	14,389	14,593	14,546	15,355	15,950	16,548	17,124	17,620
Population	7,096	7,490	7,768	8,024	8,378	8,699	9,022	9,329
Population Age 65 and Over	1,154	1,254	1,307	1,365	1,434	1,487	1,541	1,593

Notes: Actual return volumes are reported by location of taxpayer, not by processing site.
Return projections are presented in IRS Document 6149—see Table Notes for further reference.
Economic and demographic data are reported as of July 1995.—see Table Notes for further reference.

Table 2. Return and Economic/Demographic Data by Old IRS Regions and Districts, 1988–2002

(total dollar amounts in millions, per capita dollar amounts in units, other amounts in thousands)

Item	Actual				Projected			
	1988	1990	1992	1994	1996	1998	2000	2002
Little Rock District								
Total Returns	1,625	1,692	1,722	1,750	1,808	1,882	1,940	2,000
Total Individual Returns	906	952	977	995	1,044	1,101	1,144	1,189
Corporation Returns	30	32	34	36	38	41	43	45
Employment Returns	255	257	254	265	264	270	276	281
Excise Tax Returns	15	13	13	14	14	14	14	15
Civilian Employment	1,024	1,051	1,063	1,147	1,188	1,226	1,259	1,288
Construction Employment	34	39	38	42	46	47	49	49
Finance, Real Estate, and Insurance Employment	38	38	39	42	43	44	45	46
Government Employment	147	156	161	168	173	177	182	187
Manufacturing Employment	226	232	237	254	260	263	262	261
Mining Employment	4	4	3	3	3	3	3	3
Services Employment	165	190	210	229	250	267	282	297
Transporation, Public Utilities Employment	52	56	56	59	64	65	65	65
Trade Employment	196	205	212	229	241	250	258	265
Personal Income ($)	9,140	32,810	37,990	42,270	47,600	53,150	58,590	64,400
Real Personal Income ('87 $)	27,720	28,350	30,330	32,060	34,530	36,580	38,320	40,160
Per Capita Personal Income ($)	12,400	13,903	15,829	17,183	18,964	20,762	22,535	24,302
Real Per Capita Personal Income ('87 $)	11,796	12,013	12,637	13,033	13,757	14,289	14,738	15,155
Population	2,348	2,362	2,403	2,461	2,511	2,557	2,605	2,651
Population Age 65 and Over	343	350	359	363	371	375	380	385
Nashville District								
Total Returns	3,414	3,544	3,636	3,708	3,780	3,878	3,971	4,076
Total Individual Returns	2,043	2,132	2,197	2,254	2,328	2,393	2,455	2,528
Corporation Returns	51	55	59	61	64	68	71	75
Employment Returns	520	523	521	533	508	513	522	531
Excise Tax Returns	19	17	18	18	18	18	19	20
Civilian Employment	2,202	2,259	2,377	2,506	2,606	2,688	2,745	2,799
Construction Employment	99	95	89	102	107	110	112	113
Finance, Real Estate, and Insurance Employment	104	103	101	109	110	112	116	119
Government Employment	322	345	351	363	377	386	396	405
Manufacturing Employment	512	519	514	541	542	546	543	540
Mining Employment	7	6	5	5	5	4	4	4
Services Employment	441	487	540	596	642	686	723	759
Transporation, Public Utilities Employment	109	116	121	132	137	139	140	141
Trade Employment	494	515	517	559	582	604	620	634
Personal Income ($)	68,490	77,770	88,990	100,370	111,360	123,700	136,470	150,690
Real Personal Income ('87 $)	65,830	67,950	71,980	77,620	82,060	86,310	89,970	93,390
Per Capita Personal Income ($)	14,151	15,839	17,657	19,339	21,011	22,950	24,949	27,103
Real Per Capita Personal Income ('87 $)	13,601	13,839	14,282	14,956	15,483	16,013	16,448	16,797
Population	4,836	4,909	5,038	5,188	5,298	5,386	5,472	5,557
Population Age 65 and Over	602	620	642	660	676	683	691	699
New Orleans District								
Total Returns	2,798	2,834	2,892	2,893	2,968	3,099	3,200	3,298
Total Individual Returns	1,604	1,641	1,705	1,700	1,787	1,895	1,977	2,056
Corporation Returns	74	73	74	79	82	86	90	93
Employment Returns	442	425	420	436	405	411	418	426
Excise Tax Returns	17	14	13	14	13	13	14	14
Civilian Employment	1,706	1,748	1,773	1,786	1,844	1,895	1,948	1,998
Construction Employment	84	94	99	108	119	118	122	124
Finance, Real Estate, and Insurance Employment	83	79	77	81	82	83	85	87
Government Employment	307	320	334	340	353	362	372	381
Manufacturing Employment	172	184	185	189	189	190	189	188
Mining Employment	57	56	48	46	46	46	46	47
Services Employment	335	373	397	428	472	503	531	558
Transporation, Public Utilities Employment	107	111	105	110	117	118	119	120
Trade Employment	363	368	376	394	410	424	435	445
Personal Income ($)	54,090	60,300	68,370	76,940	87,370	96,640	107,180	119,080
Real Personal Income ('87 $)	51,900	52,610	55,140	58,930	62,650	66,080	69,400	72,540
Per Capita Personal Income ($)	12,608	14,222	15,974	17,810	19,993	21,815	23,765	25,943
Real Per Capita Personal Income ('87 $)	12,098	12,408	12,883	13,641	14,336	14,916	15,388	15,804
Population	4,295	4,235	4,281	4,324	4,374	4,427	4,508	4,588
Population Age 65 and Over	465	469	482	494	502	506	514	522

Notes: Actual return volumes are reported by location of taxpayer, not by processing site.
Return projections are presented in IRS Document 6149—see Table Notes for further reference.
Economic and demographic data are reported as of July 1995.—see Table Notes for further reference.

Table 2. Return and Economic/Demographic Data by Old IRS Regions and Districts, 1988–2002

(total dollar amounts in millions; per capita dollar amounts in units; other amounts in thousands)

District and Item	Actual				Projected			
	1988	1990	1992	1994	1996	1998	2000	2002
Central Region								
Total Returns	22,663	23,500	23,918	23,725	24,277	24,821	25,379	25,896
Total Individual Returns	13,250	13,793	14,038	14,036	14,596	14,982	15,368	15,721
Corporation Returns	413	448	479	500	538	574	609	643
Employment Returns	3,115	3,174	3,177	3,227	3,196	3,222	3,269	3,312
Excise Tax Returns	120	107	103	103	102	105	108	112
Civilian Employment	14,088	14,304	14,256	15,014	15,449	15,824	16,086	16,316
Construction Employment	526	561	517	574	601	602	610	618
Finance, Real Estate, and Insurance Employment	642	658	663	690	692	700	719	734
Government Employment	2,007	2,084	2,131	2,165	2,222	2,267	2,312	2,349
Manufacturing Employment	3,065	3,062	2,947	3,051	2,997	2,995	2,956	2,914
Mining Employment	109	106	91	86	82	77	76	75
Services Employment	2,868	3,135	3,282	3,496	3,742	3,978	4,166	4,357
Transporation, Public Utilities Employment	600	627	616	621	631	637	635	632
Trade Employment	3,061	3,206	3,183	3,314	3,412	3,511	3,584	3,645
Personal Income ($)	474,600	535,280	591,450	654,790	716,620	785,170	858,940	939,860
Real Personal Income ('87 $)	455,460	465,920	477,970	512,080	535,370	554,490	571,000	586,520
Per Capita Personal Income ($)	15,264	17,097	18,650	20,418	22,091	23,948	25,916	28,050
Real Per Capita Personal Income ('87 $)	14,648	14,881	15,072	15,968	16,504	16,912	17,228	17,505
Population	31,093	31,309	31,713	32,070	32,439	32,786	33,143	33,506
Population Age 65 and Over	3,828	3,947	4,079	4,182	4,245	4,273	4,307	4,345
Cincinnati District								
Total Returns	3,500	3,565	3,759	3,760	3,849	3,940	4,033	4,120
Total Individual Returns	2,070	2,171	2,234	2,247	2,335	2,400	2,467	2,528
Corporation Returns	54	60	65	67	72	77	82	87
Employment Returns	460	464	459	467	466	469	474	480
Excise Tax Returns	12	11	12	13	13	13	14	15
Civilian Employment	2,240	2,290	2,315	2,382	2,442	2,505	2,556	2,604
Construction Employment	91	92	84	89	92	92	93	95
Finance, Real Estate, and Insurance Employment	131	133	131	135	135	136	140	143
Government Employment	338	355	363	368	377	383	391	398
Manufacturing Employment	429	430	413	415	407	408	403	398
Mining Employment	8	8	6	6	6	5	5	5
Services Employment	497	548	568	598	638	677	710	745
Transporation, Public Utilities Employment	97	103	101	104	107	108	108	108
Trade Employment	512	533	538	557	569	584	598	609
Personal Income ($)	72,970	82,880	92,080	101,190	111,360	122,390	134,750	148,000
Real Personal Income ('87 $)	70,730	72,660	74,790	79,250	83,040	86,130	88,930	91,700
Per Capita Personal Income ($)	15,395	17,267	18,830	20,401	22,139	24,045	26,165	28,352
Real Per Capita Personal Income ('87 $)	14,922	15,137	15,294	15,978	16,509	16,921	17,268	17,567
Population	4,737	4,801	4,892	4,961	5,029	5,091	5,152	5,225
Population Age 65 and Over	544	561	583	598	606	608	611	615
Cleveland District								
Total Returns	4,688	4,857	4,929	4,840	4,940	5,029	5,116	5,206
Total Individual Returns	2,712	2,832	2,878	2,854	2,965	3,035	3,103	3,172
Corporation Returns	83	91	96	100	107	115	122	129
Employment Returns	629	635	629	639	637	643	652	661
Excise Tax Returns	21	20	21	20	20	20	20	20
Civilian Employment	2,755	2,773	2,763	2,846	2,906	2,963	3,002	3,036
Construction Employment	99	108	94	103	107	106	107	109
Finance, Real Estate, and Insurance Employment	120	124	126	132	133	134	138	140
Government Employment	342	354	360	366	374	381	387	393
Manufacturing Employment	682	679	637	650	640	639	630	619
Mining Employment	11	9	8	8	8	7	7	7
Services Employment	601	644	672	707	749	788	822	858
Transporation, Public Utilities Employment	115	116	113	113	116	116	116	116
Trade Employment	618	634	621	638	650	663	675	685
Personal Income ($)	95,780	107,060	116,650	127,940	139,900	152,650	166,900	182,420
Real Personal Income ('87 $)	92,840	93,860	94,740	100,200	104,330	107,410	110,150	113,020
Per Capita Personal Income ($)	15,727	17,580	18,998	20,769	22,565	24,424	26,534	28,728
Real Per Capita Personal Income ('87 $)	15,245	15,412	15,430	16,266	16,827	17,186	17,512	17,798
Population	6,088	6,095	6,136	6,163	6,205	6,249	6,290	6,346
Population Age 65 and Over	818	845	873	895	908	915	922	932

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Economic and demographic data are reported as of July 1995.—see Table Notes for further reference.

Table 2. Return and Economic/Demographic Data by Old IRS Regions and Districts, 1988-2002

(total dollar amounts in millions; per capita dollar amounts in units; other amounts in thousands)

Item	Actual				Projected			
	1988	1990	1992	1994	1996	1998	2000	2002
Detroit District								
Total Returns	6,770	7,006	7,071	6,986	7,172	7,320	7,488	7,644
Total Individual Returns	3,987	4,125	4,159	4,142	4,319	4,407	4,512	4,608
Corporation Returns	136	150	160	168	181	193	205	216
Employment Returns	937	969	976	979	970	976	990	1,002
Excise Tax Returns	30	26	25	25	24	24	25	26
Civilian Employment	4,195	4,215	4,225	4,470	4,553	4,660	4,726	4,789
Construction Employment	136	146	129	146	156	157	159	160
Finance, Real Estate, and Insurance Employment	188	191	192	200	199	201	206	210
Government Employment	611	622	628	630	642	653	666	675
Manufacturing Employment	956	942	900	947	921	916	902	889
Mining Employment	11	9	9	9	8	8	8	8
Services Employment	864	943	978	1,061	1,138	1,211	1,264	1,320
Transporation, Public Utilities Employment	154	158	154	163	171	172	171	172
Trade Employment	891	946	924	967	997	1,026	1,043	1,061
Personal Income ($)	153,450	171,160	186,570	206,520	223,740	243,980	265,220	288,550
Real Personal Income ('87 $)	146,480	148,350	150,910	164,860	170,910	176,220	180,950	185,120
Per Capita Personal Income ($)	16,607	18,325	19,764	21,693	23,331	25,231	27,146	29,265
Real Per Capita Personal Income ('87 $)	15,853	15,883	15,986	17,317	17,822	18,223	18,521	18,775
Population	9,242	9,338	9,442	9,515	9,588	9,670	9,774	9,861
Population Age 65 and Over	1,075	1,108	1,150	1,182	1,196	1,203	1,213	1,223
Indianapolis District								
Total Returns	4,092	4,233	4,326	4,329	4,445	4,557	4,668	4,770
Total Individual Returns	2,384	2,485	2,536	2,549	2,649	2,727	2,799	2,864
Corporation Returns	77	81	86	90	97	103	110	116
Employment Returns	546	557	564	584	585	590	599	607
Excise Tax Returns	29	26	23	24	25	26	27	28
Civilian Employment	2,656	2,667	2,656	2,879	3,013	3,096	3,154	3,194
Construction Employment	110	119	114	127	134	137	140	141
Finance, Real Estate, and Insurance Employment	119	123	127	133	134	136	140	143
Government Employment	348	372	381	390	399	409	419	427
Manufacturing Employment	637	637	628	656	644	644	637	626
Mining Employment	8	8	7	6	6	6	5	5
Services Employment	479	526	555	583	625	669	705	737
Transporation, Public Utilities Employment	124	133	133	139	143	145	146	146
Trade Employment	566	598	601	624	645	668	686	697
Personal Income ($)	82,400	93,830	104,690	117,610	129,290	142,120	155,550	170,450
Real Personal Income ('87 $)	78,860	81,610	84,550	90,150	94,600	98,410	101,600	104,410
Per Capita Personal Income ($)	14,955	16,846	18,464	20,418	22,063	23,886	25,753	27,851
Real Per Capita Personal Income ('87 $)	14,312	14,652	14,912	15,651	16,143	16,539	16,821	17,060
Population	5,508	5,574	5,668	5,765	5,857	5,946	6,036	6,117
Population Age 65 and Over	672	697	719	736	750	758	767	775
Louisville District								
Total Returns	2,460	2,571	2,633	2,628	2,680	2,762	2,838	2,902
Total Individual Returns	1,427	1,493	1,534	1,549	1,612	1,677	1,733	1,780
Corporation Returns	44	48	51	53	58	62	66	70
Employment Returns	371	377	377	382	368	371	376	381
Excise Tax Returns	18	16	15	14	14	14	15	15
Civilian Employment	1,577	1,655	1,620	1,727	1,793	1,834	1,864	1,891
Construction Employment	65	68	68	73	76	77	78	78
Finance, Real Estate, and Insurance Employment	60	62	62	64	65	66	68	70
Government Employment	241	256	269	276	287	294	299	304
Manufacturing Employment	274	287	287	301	304	306	303	301
Mining Employment	36	36	30	28	27	26	26	25
Services Employment	296	329	351	373	403	429	450	470
Transporation, Public Utilities Employment	74	80	82	86	90	91	91	90
Trade Employment	332	350	354	372	386	398	406	413
Personal Income ($)	47,960	55,620	63,550	70,620	77,990	86,030	94,600	104,130
Real Personal Income ('87 $)	45,180	47,570	50,150	53,310	56,630	58,990	60,790	62,560
Per Capita Personal Income ($)	12,997	15,032	16,902	18,391	19,997	21,835	23,769	25,968
Real Per Capita Personal Income ('87 $)	12,244	12,857	13,338	13,883	14,521	14,972	15,274	15,601
Population	3,687	3,702	3,764	3,838	3,898	3,939	3,976	4,014
Population Age 65 and Over	458	467	479	490	498	500	502	505

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Economic and demographic data are reported as of July 1995.—see Table Notes for further reference.

Table 2. Return and Economic/Demographic Data by Old IRS Regions and Districts, 1988–2002

(total dollar amounts in millions; per capita dollar amounts in units; other amounts in thousands)

District and Item	Actual				Projected			
	1988	1990	1992	1994	1996	1998	2000	2002
Parkersburg District								
Total Returns	1,153	1,179	1,200	1,182	1,191	1,214	1,235	1,254
Total Individual Returns	671	687	698	695	716	735	754	770
Corporation Returns	19	20	21	21	22	23	25	26
Employment Returns	172	172	171	176	170	174	178	181
Excise Tax Returns	8	7	7	7	7	7	8	8
Civilian Employment	665	704	677	710	742	766	784	802
Construction Employment	25	28	28	36	36	33	33	35
Finance, Real Estate, and Insurance Employment	24	25	25	26	26	27	27	28
Government Employment	127	125	130	135	143	147	150	152
Manufacturing Employment	87	87	82	82	81	82	81	81
Mining Employment	35	36	31	29	27	25	25	25
Services Employment	131	145	158	174	189	204	215	227
Transporation, Public Utilities Employment	37	38	38	40	42	43	43	44
Trade Employment	142	145	145	156	165	172	176	180
Personal Income ($)	22,040	24,730	27,910	30,910	34,340	38,000	41,920	46,310
Real Personal Income ('87 $)	21,370	21,870	22,830	24,310	25,860	27,330	28,580	29,710
Per Capita Personal Income ($)	12,044	13,739	15,420	16,891	18,462	20,106	21,948	23,871
Real Per Capita Personal Income ('87 $)	11,678	12,150	12,613	13,284	13,903	14,460	14,963	15,314
Population	1,831	1,799	1,811	1,828	1,862	1,891	1,915	1,943
Population Age 65 and Over	261	269	275	281	287	289	292	295
Midwest Region								
Total Returns	25,877	26,690	27,177	27,106	27,701	28,271	28,834	29,432
Total Individual Returns	14,130	14,649	14,941	14,924	15,490	15,882	16,241	16,633
Corporation Returns	497	527	558	585	574	606	638	670
Employment Returns	3,737	3,837	3,874	3,971	3,929	3,976	4,043	4,109
Excise Tax Returns	192	185	184	184	184	190	198	206
Civilian Employment	15,804	15,975	16,204	16,804	17,263	17,751	18,130	18,490
Construction Employment	561	603	573	637	667	679	692	699
Finance, Real Estate, and Insurance Employment	901	925	943	1,002	1,016	1,027	1,054	1,081
Government Employment	2,241	2,336	2,380	2,444	2,516	2,576	2,632	2,682
Manufacturing Employment	2,745	2,783	2,686	2,793	2,767	2,774	2,747	2,709
Mining Employment	53	52	48	45	43	41	41	41
Services Employment	3,386	3,696	3,908	4,222	4,539	4,828	5,069	5,312
Transporation, Public Utilities Employment	794	831	824	834	842	851	851	848
Trade Employment	3,493	3,598	3,605	3,777	3,906	4,030	4,122	4,207
Personal Income ($)	521,980	599,720	664,130	735,620	813,540	893,950	983,880	1,082,900
Real Personal Income ('87 $)	497,650	518,930	533,890	562,300	595,250	621,570	643,980	665,940
Per Capita Personal Income ($)	16,230	18,477	20,163	22,011	23,969	25,921	28,131	30,519
Real Per Capita Personal Income ('87 $)	15,473	15,988	16,209	16,825	17,537	18,023	18,413	18,768
Population	32,162	32,458	32,938	33,421	33,942	34,488	34,975	35,483
Population Age 65 and Over	4,192	4,303	4,403	4,472	4,549	4,597	4,643	4,694
Aberdeen District								
Total Returns	569	587	613	621	638	650	664	674
Total Individual Returns	294	304	317	321	335	341	350	353
Corporation Returns	9	10	10	11	12	13	14	15
Employment Returns	98	100	102	106	108	110	113	115
Excise Tax Returns	7	7	8	8	9	9	10	11
Civilian Employment	343	345	349	361	375	389	399	407
Construction Employment	10	12	13	14	15	16	16	16
Finance, Real Estate, and Insurance Employment	15	16	17	19	19	19	20	21
Government Employment	59	62	64	67	69	72	74	75
Manufacturing Employment	32	34	37	44	45	45	45	44
Mining Employment	3	3	3	2	2	2	2	2
Services Employment	65	72	79	85	92	99	106	111
Transporation, Public Utilities Employment	14	13	15	16	17	17	17	17
Trade Employment	70	76	80	85	88	92	96	98
Personal Income ($)	8,950	10,870	12,200	13,580	15,190	16,790	18,540	20,360
Real Personal Income ('87 $)	8,630	9,510	9,990	10,650	11,290	11,940	12,460	12,940
Per Capita Personal Income ($)	12,786	15,529	17,183	18,861	20,527	22,092	24,078	26,103
Real Per Capita Personal Income ('87 $)	12,329	13,586	14,070	14,792	15,257	15,711	16,182	16,590
Population	699	699	711	723	736	755	769	782
Population Age 65 and Over	99	102	105	106	108	110	112	113

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Economic and demographic data are reported as of July 1995.—see Table Notes for further reference.

Table 2. Return and Economic/Demographic Data by Old IRS Regions and Districts, 1988–2002

(total dollar amounts in millions; per capita dollar amounts in units; other amounts in thousands)

District and Item	Actual				Projected			
	1988	1990	1992	1994	1996	1998	2000	2002
Chicago District								
Total Returns	6,828	7,065	7,154	7,103	7,239	7,370	7,500	7,648
Total Individual Returns	3,805	3,967	4,026	3,994	4,097	4,172	4,238	4,319
Corporation Returns	151	164	175	184	179	190	201	212
Employment Returns	892	933	943	967	962	973	991	1,008
Excise Tax Returns	22	20	19	22	22	24	25	27
Civilian Employment	4,220	4,279	4,297	4,414	4,507	4,617	4,713	4,808
Construction Employment	166	178	153	163	170	171	175	177
Finance, Real Estate, and Insurance Employment	309	317	317	332	335	338	346	354
Government Employment	491	507	527	532	543	553	564	573
Manufacturing Employment	787	782	731	752	741	741	733	721
Mining Employment	5	4	3	3	3	2	2	2
Services Employment	1,000	1,088	1,137	1,209	1,295	1,374	1,442	1,511
Transporation, Public Utilities Employment	233	245	242	254	265	267	267	269
Trade Employment	977	988	959	1,007	1,037	1,060	1,082	1,105
Personal Income ($)	161,850	184,300	202,580	224,060	247,270	270,640	296,540	325,560
Real Personal Income ('87 $)	153,770	158,900	162,170	171,120	180,050	186,630	192,670	198,310
Per Capita Personal Income ($)	19,314	21,785	23,583	25,695	27,940	30,205	32,659	35,387
Real Per Capita Personal Income ('87 $)	18,350	18,783	18,879	19,624	20,345	20,829	21,219	21,555
Population	8,383	8,457	8,593	8,720	8,847	8,962	9,076	9,196
Population Age 65 and Over	952	987	1,010	1,026	1,045	1,054	1,065	1,078
Des Moines District								
Total Returns	2,307	2,367	2,416	2,360	2,383	2,414	2,449	2,482
Total Individual Returns	1,199	1,247	1,277	1,256	1,302	1,337	1,372	1,404
Corporation Returns	43	43	45	47	45	47	49	50
Employment Returns	343	349	353	357	349	352	358	363
Excise Tax Returns	19	18	17	17	16	17	17	18
Civilian Employment	1,433	1,425	1,475	1,496	1,522	1,559	1,581	1,609
Construction Employment	39	46	48	52	54	55	56	56
Finance, Real Estate, and Insurance Employment	67	70	73	78	80	81	83	86
Government Employment	208	215	217	225	233	238	243	248
Manufacturing Employment	227	236	230	245	246	246	245	242
Mining Employment	2	2	2	2	2	2	2	2
Services Employment	263	289	307	327	350	370	388	406
Transporation, Public Utilities Employment	54	56	55	59	62	62	63	63
Trade Employment	293	309	316	329	340	351	359	367
Personal Income ($)	40,510	47,170	52,340	57,770	63,950	70,310	77,510	85,200
Real Personal Income ('87 $)	38,220	40,520	41,420	42,630	45,450	47,660	49,400	51,080
Per Capita Personal Income ($)	14,625	16,907	18,626	20,413	22,360	24,329	26,545	28,784
Real Per Capita Personal Income ('87 $)	13,798	14,523	14,740	15,064	15,892	16,491	16,918	17,257
Population	2,774	2,787	2,814	2,834	2,861	2,894	2,921	2,960
Population Age 65 and Over	414	426	434	438	442	445	447	451
Fargo District								
Total Returns	558	559	567	569	585	602	618	640
Total Individual Returns	280	279	283	284	297	306	314	328
Corporation Returns	9	10	10	10	11	11	12	12
Employment Returns	98	98	95	98	98	99	101	103
Excise Tax Returns	8	11	10	10	11	11	12	13
Civilian Employment	316	310	298	321	327	333	337	341
Construction Employment	10	10	11	14	15	15	14	15
Finance, Real Estate, and Insurance Employment	12	12	13	14	14	15	15	15
Government Employment	64	64	66	66	68	69	70	71
Manufacturing Employment	16	17	18	21	22	22	22	22
Mining Employment	4	4	4	4	4	4	4	4
Services Employment	64	69	74	80	86	91	95	99
Transporation, Public Utilities Employment	17	17	18	19	20	20	20	20
Trade Employment	68	70	73	76	79	81	83	84
Personal Income ($)	7,940	9,790	10,980	12,030	13,390	14,690	16,200	17,790
Real Personal Income ('87 $)	7,530	8,530	8,820	8,870	9,530	9,990	10,330	10,720
Per Capita Personal Income ($)	12,030	15,297	17,156	18,797	20,922	22,600	24,923	26,955
Real Per Capita Personal Income ('87 $)	11,409	13,328	13,781	13,859	14,891	15,369	15,892	16,242
Population	655	639	636	639	643	649	652	658
Population Age 65 and Over	88	91	93	94	95	95	96	96

Notes: Actual return volumes are reported by location of taxpayer, not by processing site.
Return projections are presented in IRS Document 6149—see Table Notes for further reference.
Economic and demographic data are reported as of July 1995.—see Table Notes for further reference.

Table 2. Return and Economic/Demographic Data by Old IRS Regions and Districts, 1988–2002

(total dollar amounts in millions; per capita dollar amounts in units; other amounts in thousands)

District and Item	Actual				Projected			
	1988	1990	1992	1994	1996	1998	2000	2002
Helena District								
Total Returns	684	701	735	764	787	808	825	846
Total Individual Returns	335	347	365	376	393	404	411	422
Corporation Returns	15	15	16	18	19	20	22	23
Employment Returns	123	121	124	131	135	138	141	144
Excise Tax Returns	8	7	7	7	7	7	7	8
Civilian Employment	375	377	383	417	432	448	459	468
Construction Employment	9	11	13	15	16	17	17	17
Finance, Real Estate, and Insurance Employment	14	13	14	15	16	16	16	17
Government Employment	69	70	73	75	78	80	81	82
Manufacturing Employment	21	22	23	23	23	23	23	23
Mining Employment	6	6	6	6	5	5	5	5
Services Employment	68	75	82	91	98	105	110	115
Transporation, Public Utilities Employment	20	20	20	21	22	23	23	23
Trade Employment	74	79	84	91	95	99	101	103
Personal Income ($)	10,340	11,840	13,460	15,090	16,700	18,830	21,710	24,140
Real Personal Income ('87 $)	9,890	10,300	10,950	12,040	12,740	13,460	13,990	14,440
Per Capita Personal Income ($)	12,925	14,800	16,217	17,547	18,977	20,922	23,598	25,957
Real Per Capita Personal Income ('87 $)	12,363	12,875	13,193	14,000	14,477	14,956	15,207	15,527
Population	802	803	827	855	881	901	916	929
Population Age 65 and Over	103	107	111	114	117	119	121	122
Milwaukee District								
Total Returns	3,815	3,977	4,077	4,081	4,192	4,296	4,383	4,483
Total Individual Returns	2,120	2,219	2,281	2,294	2,397	2,474	2,529	2,595
Corporation Returns	67	71	75	79	77	82	86	90
Employment Returns	561	576	583	596	589	596	606	616
Excise Tax Returns	25	23	23	23	22	23	23	24
Civilian Employment	2,459	2,460	2,519	2,679	2,721	2,799	2,836	2,900
Construction Employment	78	89	91	103	112	114	116	118
Finance, Real Estate, and Insurance Employment	116	121	127	137	140	142	145	149
Government Employment	321	337	351	358	368	378	387	396
Manufacturing Employment	552	558	549	577	574	576	571	563
Mining Employment	2	2	2	2	2	2	2	2
Services Employment	488	533	573	616	665	708	745	779
Transporation, Public Utilities Employment	97	106	110	116	121	121	122	122
Trade Employment	509	540	547	567	590	609	624	635
Personal Income ($)	74,900	86,170	96,380	107,550	119,240	130,950	143,480	158,260
Real Personal Income ('87 $)	71,490	74,510	77,570	82,300	87,150	90,820	93,820	96,680
Per Capita Personal Income ($)	15,475	17,514	19,238	21,130	23,019	24,848	26,963	29,199
Real Per Capita Personal Income ('87 $)	14,771	15,144	15,483	16,169	16,824	17,233	17,569	17,838
Population	4,836	4,919	5,011	5,095	5,182	5,267	5,345	5,417
Population Age 65 and Over	640	652	670	685	698	706	714	721
Omaha District								
Total Returns	1,325	1,356	1,393	1,388	1,415	1,436	1,455	1,474
Total Individual Returns	694	719	741	741	779	796	812	829
Corporation Returns	28	29	30	31	32	34	35	36
Employment Returns	213	215	218	221	218	222	225	228
Excise Tax Returns	21	20	19	18	18	19	20	22
Civilian Employment	789	817	829	857	871	898	914	930
Construction Employment	25	28	28	34	35	36	37	37
Finance, Real Estate, and Insurance Employment	48	49	50	52	53	53	54	56
Government Employment	135	141	145	150	155	160	163	166
Manufacturing Employment	94	98	101	106	107	108	107	106
Mining Employment	2	2	1	1	1	1	1	1
Services Employment	161	178	185	194	209	222	232	243
Transporation, Public Utilities Employment	44	46	47	49	52	52	53	53
Trade Employment	178	187	190	198	206	213	217	220
Personal Income ($)	23,800	27,540	30,580	33,870	37,740	41,840	46,220	50,780
Real Personal Income ('87 $)	23,020	24,000	25,020	26,120	27,910	29,340	30,380	31,360
Per Capita Personal Income ($)	15,159	17,321	18,994	20,779	22,873	24,905	27,188	29,523
Real Per Capita Personal Income ('87 $)	14,662	15,094	15,540	16,025	16,915	17,464	17,871	18,233
Population	1,575	1,586	1,607	1,626	1,650	1,681	1,701	1,722
Population Age 65 and Over	217	223	227	230	231	236	238	240

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Economic and demographic data are reported as of July 1995.—see Table Notes for further reference.

Table 2. Return and Economic/Demographic Data by Old IRS Regions and Districts, 1988–2002

(total dollar amounts in millions, per capita dollar amounts in units, other amounts in thousands)

District and Item	Actual				Projected			
	1988	1990	1992	1994	1996	1998	2000	2002
Saint Louis District								
Total Returns	4,008	4,127	4,157	4,160	4,270	4,365	4,471	4,584
Total Individual Returns	2,188	2,264	2,285	2,283	2,388	2,449	2,517	2,591
Corporation Returns	76	79	82	86	84	88	92	97
Employment Returns	591	603	602	616	600	607	618	629
Excise Tax Returns	24	21	20	21	21	22	22	23
Civilian Employment	2,445	2,470	2,536	2,552	2,689	2,780	2,843	2,905
Construction Employment	100	100	92	109	114	117	119	120
Finance, Real Estate, and Insurance Employment	137	140	138	147	149	151	155	159
Government Employment	345	363	364	380	393	401	410	418
Manufacturing Employment	434	437	412	416	410	410	404	399
Mining Employment	5	5	5	4	4	4	4	4
Services Employment	532	580	608	682	739	790	828	869
Transporation, Public Utilities Employment	148	154	151	158	164	167	167	168
Trade Employment	554	560	557	587	609	634	648	662
Personal Income ($)	79,610	89,870	99,420	109,240	120,960	133,180	146,390	161,500
Real Personal Income ('87 $)	76,190	77,960	80,020	84,780	90,260	94,870	98,740	102,950
Per Capita Personal Income ($)	15,640	17,484	19,083	20,650	22,442	24,215	26,188	28,433
Real Per Capita Personal Income ('87 $)	14,969	15,167	15,359	16,026	16,746	17,249	17,664	18,125
Population	5,094	5,140	5,207	5,291	5,388	5,498	5,586	5,676
Population Age 65 and Over	701	718	735	747	761	772	780	789
Saint Paul District								
Total Returns	3,512	3,616	3,710	3,756	3,847	3,955	4,059	4,151
Total Individual Returns	1,947	1,989	2,034	2,061	2,136	2,215	2,284	2,341
Corporation Returns	69	75	80	84	81	86	90	95
Employment Returns	497	519	534	555	555	562	571	581
Excise Tax Returns	44	43	46	45	44	44	45	46
Civilian Employment	2,232	2,275	2,300	2,466	2,570	2,655	2,730	2,802
Construction Employment	80	81	78	85	87	89	92	93
Finance, Real Estate, and Insurance Employment	120	125	131	143	145	147	152	156
Government Employment	315	332	340	356	370	382	392	401
Manufacturing Employment	394	400	397	418	417	421	417	412
Mining Employment	7	8	8	8	8	8	8	8
Services Employment	502	549	591	642	691	738	777	819
Transporation, Public Utilities Employment	102	110	110	113	119	120	121	122
Trade Employment	501	518	524	556	577	599	615	631
Personal Income ($)	71,310	82,620	91,940	03,120	114,880	126,890	140,490	155,240
Real Personal Income ('87 $)	68,280	71,980	74,500	78,490	84,110	88,710	92,620	96,250
Per Capita Personal Income ($)	16,545	18,777	20,477	22,515	24,547	26,491	28,730	31,110
Real Per Capita Personal Income ('87 $)	15,842	16,359	16,592	17,138	17,972	18,520	18,941	19,289
Population	4,309	4,401	4,488	4,579	4,680	4,785	4,887	4,991
Population Age 65 and Over	539	548	563	574	587	597	606	617
Springfield District								
Total Returns	2,273	2,335	2,354	2,305	2,345	2,375	2,409	2,452
Total Individual Returns	1,268	1,314	1,332	1,315	1,364	1,387	1,415	1,450
Corporation Returns	30	31	33	34	33	35	37	38
Employment Returns	321	322	319	323	314	317	320	323
Excise Tax Returns	14	13	13	13	13	14	15	15
Civilian Employment	1,193	1,217	1,218	1,242	1,249	1,275	1,298	1,320
Construction Employment	44	48	46	48	49	49	50	50
Finance, Real Estate, and Insurance Employment	63	62	63	65	65	65	67	68
Government Employment	234	245	233	235	239	243	248	252
Manufacturing Employment	188	199	188	191	182	182	180	177
Mining Employment	17	16	14	13	12	11	11	11
Services Employment	243	263	272	296	314	331	346	360
Transporation, Pubic Utilities Employment	65	63	61	66	68	68	68	68
Trade Employment	266	271	275	281	285	292	297	302
Personal Income ($)	42,770	49,550	54,250	59,310	64,220	69,830	76,300	84,070
Real Personal Income ('87 $)	40,630	42,720	43,430	45,300	46,760	48,150	49,570	51,210
Per Capita Personal Income ($)	14,069	16,353	17,845	19,382	20,919	22,526	24,455	26,689
Real Per Capita Personal Income ('87 $)	13,365	14,099	14,286	14,804	15,231	15,532	15,888	16,257
Population	3,035	3,027	3,044	3,056	3,074	3,096	3,122	3,152
Population Age 65 and Over	439	449	455	458	462	463	464	467

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Economic and demographic data are reported as of July 1995.—see Table Notes for further reference.

Table 2. Return and Economic/Demographic Data by Old IRS Regions and Districts, 1988–2002

(total dollar amounts in millions; per capita dollar amounts in units; other amounts in thousands)

District and Item	Actual				Projected			
	1988	1990	1992	1994	1996	1998	2000	2002
Southwest Region								
Total Returns	24,554	25,496	26,439	27,204	28,094	29,280	30,374	31,495
Total Individual Returns	13,409	14,124	14,809	15,208	15,985	16,733	17,371	18,042
Corporation Returns	511	525	554	586	615	650	684	717
Employment Returns	3,653	3,660	3,717	3,922	3,847	3,912	3,996	4,076
Excise Tax Returns	128	107	10	108	105	109	112	116
Civilian Employment	15,114	15,628	15,900	17,215	17,885	18,546	19,140	19,668
Construction Employment	643	648	664	791	842	852	871	888
Finance, Real Estate, and Insurance Employment	818	810	809	875	893	909	939	970
Government Employment	2,423	2,581	2,720	2,850	2,965	3,060	3,152	3,228
Manufacturing Employment	1,833	1,888	1,832	1,909	1,898	1,915	1,905	1,897
Mining Employment	315	311	287	276	263	257	260	257
Services Employment	3,057	3,429	3,658	4,020	4,368	4,697	4,978	5,252
Transporation, Public Utilities Employment	764	822	837	853	866	883	888	891
Trade Employment	3,213	3,352	3,440	3,706	3,855	4,023	4,162	4,284
Personal Income ($)	483,230	553,220	627,740	706,940	793,370	886,710	987,290	1,100,200
Real Personal Income ('87 $)	462,640	482,550	509,680	548,820	583,910	619,090	649,210	678,550
Per Capita Personal Income ($)	14,712	16,503	18,095	19,595	21,377	23,299	25,326	27,629
Real Per Capita Personal Income ('87 $)	14,086	14,395	14,692	15,212	15,733	16,267	16,653	17,040
Population	32,845	33,522	34,691	36,078	37,113	38,058	38,984	39,820
Population Age 65 and Over	3,502	3,663	3,837	3,992	4,115	4,197	4,284	4,360
Albuquerque District								
Total Returns	1,056	1,103	1,156	1,207	1,267	1,347	1,368	1,421
Total Individual Returns	607	639	675	699	755	816	818	852
Corporation Returns	19	19	21	22	24	25	27	28
Employment Returns	161	164	165	175	170	172	175	177
Excise Tax Returns	6	5	5	6	6	6	7	7
Civilian Employment	635	652	672	741	769	803	829	850
Construction Employment	32	30	31	43	46	44	44	45
Finance, Real Estate, and Insurance Employment	27	26	27	30	31	31	32	33
Government Employment	139	147	153	161	169	176	181	184
Manufacturing Employment	40	43	41	45	45	46	45	45
Mining Employment	15	16	15	17	17	16	16	16
Services Employment	134	148	160	177	195	207	217	229
Transporation, Public Utilities Employment	29	29	29	30	32	33	33	33
Trade Employment	130	138	142	155	164	170	174	178
Personal Income ($)	18,920	21,680	24,720	28,980	33,240	36,530	40,790	45,840
Real Personal Income ('87 $)	18,020	18,870	19,950	22,010	23,920	25,380	26,060	27,000
Per Capita Personal Income ($)	12,613	14,170	15,547	17,458	19,214	20,408	22,168	24,513
Real Per Capita Personal Income ('87 $)	12,013	12,333	12,547	13,259	13,827	14,179	14,163	14,439
Population	1,495	1,528	1,588	1,661	1,732	1,793	1,837	1,872
Population Age 65 and Over	153	164	173	182	191	197	202	205
Austin District								
Total Returns	3,781	3,918	4,079	4,251	4,348	4,575	4,822	5,049
Total Individual Returns	2,172	2,280	2,409	2,521	2,629	2,794	2,977	3,141
Corporation Returns	63	62	66	70	73	77	81	85
Employment Returns	555	559	561	589	552	558	568	577
Excise Tax Returns	17	14	14	15	15	16	16	17
Civilian Employment	2,237	2,317	2,454	2,657	2,771	2,878	2,981	3,074
Construction Employment	99	90	95	109	118	121	124	127
Finance, Real Estate, and Insurance Employment	115	113	112	123	125	128	133	137
Government Employment	472	506	533	566	589	606	625	641
Manufacturing Employment	230	245	252	276	277	280	279	278
Mining Employment	25	25	24	23	21	20	21	20
Services Employment	422	477	517	574	625	674	717	759
Transporation, Public Utilities Employment	85	92	95	107	115	117	119	120
Trade Employment	473	492	517	568	588	619	645	667
Personal Income ($)	68,170	78,530	90,400	103,000	116,770	132,280	148,680	166,680
Real Personal Income ('87 $)	65,350	68,650	73,710	80,160	85,310	91,160	96,690	101,920
Per Capita Personal Income ($)	12,065	13,610	15,017	16,195	17,800	19,655	21,486	23,509
Real Per Capita Personal Income ('87 $)	11,566	11,898	12,244	12,604	13,005	13,545	13,973	14,375
Population	5,647	5,766	6,017	6,357	6,561	6,731	6,921	7,091
Population Age 65 and Over	582	607	640	677	700	713	730	745

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Table 2. Return and Economic/Demographic Data by Old IRS Regions and Districts, 1988–2002

(total dollar amounts in millions; per capita dollar amounts in units; other amounts in thousands)

District and Item	Actual				Projected			
	1988	1990	1992	1994	1996	1998	2000	2002
Cheyenne District								
Total Returns	385	390	406	418	433	447	463	478
Total Individual Returns	196	200	210	214	224	228	235	241
Corporation Returns	9	9	9	10	10	11	12	12
Employment Returns	68	68	70	74	78	82	86	90
Excise Tax Returns	4	3	3	3	3	3	3	3
Civilian Employment	223	232	226	235	245	254	260	265
Construction Employment	11	11	12	13	14	14	14	15
Finance, Real Estate, and Insurance Employment	7	7	7	8	8	8	8	9
Government Employment	53	54	56	57	59	61	62	64
Manufacturing Employment	9	10	9	10	10	10	10	10
Mining Employment	18	18	18	18	17	17	17	17
Services Employment	34	38	42	44	48	51	54	56
Transporation, Public Utilities Employment	14	15	14	15	15	16	16	16
Trade Employment	43	45	47	49	52	54	55	56
Personal Income ($)	6,590	7,550	8,580	9,450	10,410	11,710	12,550	13,990
Real Personal Income ('87 $)	6,390	6,690	7,130	7,700	8,120	8,570	8,940	9,240
Per Capita Personal Income ($)	14,021	16,413	18,255	19,688	21,245	23,420	24,608	26,904
Real Per Capita Personal Income ('87 $)	13,596	14,543	15,170	16,042	16,571	17,140	17,529	17,769
Population	465	456	465	477	489	501	509	516
Population Age 65 and Over	44	47	50	53	54	55	56	56
Dallas District								
Total Returns	5,414	5,599	5,715	5,821	5,970	6,167	6,416	6,624
Total Individual Returns	2,919	3,076	3,182	3,237	3,406	3,539	3,719	3,860
Corporation Returns	111	111	116	121	127	133	138	143
Employment Returns	828	817	816	851	821	831	847	863
Excise Tax Returns	31	25	25	25	24	24	25	26
Civilian Employment	3,447	3,496	3,542	3,763	3,902	4,033	4,158	4,271
Construction Employment	127	113	111	136	147	151	156	159
Finance, Real Estate, and Insurance Employment	208	202	197	208	213	217	225	232
Government Employment	429	457	482	513	531	545	561	575
Manufacturing Employment	519	518	480	492	486	490	487	484
Mining Employment	91	85	76	71	67	65	66	65
Services Employment	666	740	779	863	934	1,004	1,066	1,127
Transporation, Public Utilities Employment	181	200	204	214	230	234	238	240
Trade Employment	747	768	771	832	863	900	932	960
Personal Income ($)	110,640	125,960	141,280	158,590	177,950	199,410	221,930	247,260
Real Personal Income ('87 $)	106,070	110,110	115,200	123,420	130,000	137,410	144,330	151,190
Per Capita Personal Income ($)	15,988	17,867	19,595	21,402	23,570	25,931	28,235	30,830
Real Per Capita Personal Income ('87 $)	15,328	15,618	15,978	16,656	17,219	17,869	18,363	18,852
Population	6,921	7,047	7,208	7,409	7,555	7,689	7,856	8,023
Population Age 65 and Over	738	759	780	798	812	818	828	838
Denver District								
Total Returns	2,749	2,830	3,000	3,189	3,351	3,494	3,607	3,737
Total Individual Returns	1,462	1,520	1,610	1,688	1,787	1,848	1,877	1,925
Corporation Returns	71	75	81	89	94	102	109	117
Employment Returns	428	428	450	492	509	522	536	548
Excise Tax Returns	13	12	12	12	11	12	12	12
Civilian Employment	1,597	1,660	1,647	1,907	2,022	2,099	2,161	2,214
Construction Employment	62	65	75	90	92	94	95	96
Finance, Real Estate, and Insurance Employment	96	97	100	112	113	115	119	123
Government Employment	262	272	286	296	307	318	327	334
Manufacturing Employment	190	193	186	192	190	192	192	192
Mining Employment	21	20	17	15	15	15	15	15
Services Employment	359	403	443	488	530	576	614	646
Transporation, Public Utilities Employment	91	96	100	107	111	113	115	116
Trade Employment	352	370	385	428	447	469	488	502
Personal Income ($)	54,650	62,410	71,980	82,070	90,810	101,360	113,380	126,360
Real Personal Income ('87 $)	51,950	54,300	57,950	63,770	68,150	72,680	75,960	79,000
Per Capita Personal Income ($)	16,713	18,798	20,684	22,362	23,897	25,923	28,345	30,971
Real Per Capita Personal Income ('87 $)	15,887	16,355	16,652	17,376	17,934	18,588	18,990	19,363
Population	3,271	3,324	3,482	3,669	3,800	3,915	4,005	4,082
Population Age 65 and Over	310	331	351	369	382	391	398	404

Notes: Actual return volumes are reported by location of taxpayer, not by processing site.
Return projections are presented in IRS Document 6149—see Table Notes for further reference.
Economic and demographic data are reported as of July 1995.—see Table Notes for further reference.

Table 2. Return and Economic/Demographic Data by Old IRS Regions and Districts, 1988–2002

(total dollar amounts in millions; per capita dollar amounts in units; other amounts in thousands)

Item	Actual				Projected			
	1988	1990	1992	1994	1996	1998	2000	2002
Houston District								
Total Returns	3,020	3,213	3,370	3,430	3,477	3,561	3,643	3,738
Total Individual Returns	1,670	1,817	1,935	1,957	2,020	2,062	2,099	2,151
Corporation Returns	71	73	78	81	84	88	92	95
Employment Returns	423	433	448	469	446	454	465	476
Excise Tax Returns	12	10	10	11	11	11	12	12
Civilian Employment	2,058	2,210	2,281	2,355	2,424	2,501	2,571	2,636
Construction Employment	111	141	140	142	148	153	156	159
Finance, Real Estate, and Insurance Employment	119	119	114	118	120	122	126	130
Government Employment	252	276	296	313	328	339	350	358
Manufacturing Employment	214	233	237	240	238	241	240	239
Mining Employment	70	72	70	68	65	64	64	64
Services Employment	456	526	544	581	615	657	692	727
Transporation, Public Utilities Employment	122	131	133	139	147	149	151	153
Trade Employment	430	454	465	485	496	514	527	541
Personal Income ($)	68,350	80,800	93,510	103,240	115,620	128,670	141,820	156,840
Real Personal Income ('87 $)	65,530	70,630	76,250	80,350	84,470	88,670	92,230	95,900
Per Capita Personal Income ($)	16,430	18,704	20,688	22,107	24,138	26,313	28,421	30,874
Real Per Capita Personal Income ('87 $)	15,752	16,350	16,869	17,206	17,635	18,133	18,483	18,878
Population	4,157	4,317	4,517	4,673	4,786	4,891	4,993	5,079
Population Age 65 and Over	332	357	381	398	413	423	434	444
Oklahoma City District								
Total Returns	2,326	2,389	2,443	2,433	2,468	2,556	2,631	2,702
Total Individual Returns	1,241	1,287	1,332	1,329	1,371	1,438	1,491	1,541
Corporation Returns	51	52	54	56	58	61	64	67
Employment Returns	347	345	350	362	352	355	360	366
Excise Tax Returns	16	13	12	13	13	13	13	13
Civilian Employment	1,421	1,446	1,436	1,462	1,503	1,540	1,581	1,620
Construction Employment	36	41	40	48	53	54	55	56
Finance, Real Estate, and Insurance Employment	59	60	61	64	65	66	67	69
Government Employment	244	257	266	266	272	278	285	292
Manufacturing Employment	161	168	164	171	170	172	171	170
Mining Employment	45	43	37	35	33	32	33	33
Services Employment	247	273	293	315	341	364	382	400
Transporation, Public Utilities Employment	64	69	71	73	77	78	78	79
Trade Employment	272	279	286	300	313	324	333	340
Personal Income ($)	42,700	47,900	53,090	58,150	64,680	71,890	79,880	88,770
Real Personal Income ('87 $)	40,590	41,560	42,920	44,780	47,420	50,110	52,580	55,150
Per Capita Personal Income ($)	13,470	15,158	16,539	17,783	19,541	21,460	23,425	25,436
Real Per Capita Personal Income ('87 $)	12,804	13,152	13,371	13,694	14,326	14,958	15,419	15,802
Population	3,173	3,159	3,214	3,266	3,305	3,349	3,415	3,486
Population Age 65 and Over	413	424	435	444	449	452	458	465
Phoenix District								
Total Returns	2,711	2,847	2,949	3,071	3,229	3,439	3,604	3,815
Total Individual Returns	1,462	1,558	1,637	1,707	1,807	1,938	2,020	2,149
Corporation Returns	58	61	63	67	70	75	79	83
Employment Returns	372	375	378	403	412	421	433	443
Excise Tax Returns	8	7	7	7	7	7	7	8
Civilian Employment	1,555	1,625	1,601	1,881	1,970	2,075	2,168	2,248
Construction Employment	96	85	80	107	116	112	116	118
Finance, Real Estate, and Insurance Employment	95	94	95	105	107	110	114	118
Government Employment	232	254	272	288	305	319	332	341
Manufacturing Employment	189	185	173	182	185	187	187	186
Mining Employment	12	13	13	12	12	12	12	11
Services Employment	368	401	425	471	526	571	612	648
Transporation, Public Utilities Employment	74	82	81	81	85	87	89	91
Trade Employment	350	366	374	404	426	446	463	478
Personal Income ($)	53,000	59,680	66,690	76,310	86,650	97,390	109,640	123,180
Real Personal Income ('87 $)	51,270	52,270	54,460	60,080	65,180	69,470	73,380	77,020
Per Capita Personal Income ($)	14,930	16,130	17,277	18,658	20,245	21,787	23,680	25,878
Real Per Capita Personal Income ('87 $)	14,442	14,127	14,109	14,689	15,229	15,541	15,849	16,181
Population	3,553	3,698	3,856	4,091	4,284	4,470	4,632	4,757
Population Age 65 and Over	454	481	516	548	577	601	622	638

Notes: Actual return volumes are reported by location of taxpayer, not by processing site.
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Economic and demographic data are reported as of July 1995.—see Table Notes for further reference.

Table 2. Return and Economic/Demographic Data by Old IRS Regions and Districts, 1988–2002
(total dollar amounts in millions; per capita dollar amounts in units; other amounts in thousands)

District and Item	Actual				Projected			
	1988	1990	1992	1994	1996	1998	2000	2002
Salt Lake City District								
Total Returns	1,071	1,121	1,201	1,285	1,394	1,498	1,577	1,644
Total Individual Returns	618	656	704	748	823	890	930	958
Corporation Returns	24	25	28	30	32	35	37	40
Employment Returns	156	157	165	181	191	196	202	206
Excise Tax Returns	6	5	5	5	5	5	5	5
Civilian Employment	722	754	769	947	984	1,031	1,066	1,098
Construction Employment	26	29	35	50	52	52	53	54
Finance, Real Estate, and Insurance Employment	34	34	38	47	50	51	52	54
Government Employment	140	148	154	160	168	175	181	186
Manufacturing Employment	99	107	107	117	117	117	117	117
Mining Employment	8	9	8	8	8	8	8	8
Services Employment	156	180	196	227	254	273	289	308
Transporation, Public Utilities Employment	39	42	44	51	54	55	56	57
Trade Employment	156	172	183	204	217	229	238	247
Personal Income ($)	21,130	24,430	28,460	33,090	37,510	41,830	46,280	51,330
Real Personal Income ('87 $)	20,130	21,240	22,820	25,390	27,930	30,260	31,950	33,340
Per Capita Personal Income ($)	12,503	14,040	15,637	17,234	18,755	20,111	21,728	23,438
Real Per Capita Personal Income ('87 $)	11,911	12,207	12,538	13,224	13,965	14,548	15,000	15,224
Population	1,695	1,740	1,820	1,916	2,002	2,076	2,134	2,187
Population Age 65 and Over	142	151	161	169	177	183	188	192
Wichita District								
Total Returns	2,042	2,087	2,119	2,100	2,157	2,195	2,242	2,287
Total Individual Returns	1,062	1,091	1,115	1,109	1,163	1,178	1,202	1,224
Corporation Returns	36	38	39	40	42	44	46	47
Employment Returns	314	315	314	324	316	320	324	329
Excise Tax Returns	15	13	13	12	12	12	13	13
Civilian Employment	1,220	1,236	1,271	1,266	1,295	1,333	1,365	1,392
Construction Employment	43	43	45	53	56	57	58	59
Finance, Real Estate, and Insurance Employment	58	58	58	60	61	61	63	65
Government Employment	200	210	222	230	237	243	248	253
Manufacturing Employment	182	186	183	184	180	180	177	176
Mining Employment	10	10	9	9	8	8	8	8
Services Employment	215	243	259	280	300	320	335	352
Transporation, Public Utilities Employment	64	66	65	71	75	75	76	76
Trade Employment	260	268	270	281	289	298	307	315
Personal Income ($)	39,080	44,280	49,030	54,060	59,730	65,640	72,340	79,950
Real Personal Income ('87 $)	37,340	38,230	39,290	41,160	43,410	45,380	47,090	48,790
Per Capita Personal Income ($)	15,822	17,783	19,456	21,117	22,973	24,864	26,993	29,286
Real Per Capita Personal Income ('87 $)	15,117	15,353	15,591	16,078	16,696	17,189	17,571	17,872
Population	2,468	2,487	2,524	2,559	2,599	2,643	2,682	2,727
Population Age 65 and Over	334	342	350	354	360	364	368	373
Western Region								
Total Returns	32,629	34,610	35,230	34,891	35,224	36,323	37,533	38,715
Total Individual Returns	17,386	18,623	19,331	19,035	19,491	20,225	21,071	21,888
Corporation Returns	587	616	620	627	633	647	661	674
Employment Returns	4,617	4,795	4,779	4,820	4,786	4,861	4,937	5,012
Excise Tax Returns	145	125	123	120	117	120	123	126
Civilian Employment	18,621	19,791	19,611	20,394	21,017	21,803	22,508	23,133
Construction Employment	769	861	749	799	837	876	900	917
Finance, Real Estate, and Insurance Employment	1,053	1,102	1,101	1,138	1,131	1,153	1,193	1,227
Government Employment	2,770	2,974	3,056	3,090	3,177	3,270	3,365	3,448
Manufacturing Employment	2,773	2,782	2,575	2,486	2,421	2,438	2,428	2,406
Mining Employment	67	73	66	62	59	58	58	57
Services Employment	4,259	4,712	4,878	5,175	5,552	5,975	6,325	6,669
Transporation, Public Utilities Employment	854	905	905	887	896	910	914	914
Trade Employment	4,008	4,216	4,105	4,204	4,340	4,530	4,678	4,802
Personal Income ($)	713,080	837,650	914,430	991,160	1,091,610	1,214,840	1,350,820	1,502,850
Real Personal Income ('87 $)	685,100	730,490	746,580	771,620	809,780	854,630	896,890	936,040
Per Capita Personal Income ($)	17,942	20,069	21,120	22,344	24,055	26,176	28,473	31,049
Real Per Capita Personal Income ('87 $)	17,238	17,501	17,243	17,395	17,845	18,414	18,905	19,339
Population	39,744	41,739	43,297	44,359	45,379	46,411	47,442	48,402
Population Age 65 and Over	4,316	4,522	4,688	4,866	4,995	5,086	5,187	5,281

Notes: Actual return volumes are reported by location of taxpayer, not by processing site.
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Economic and demographic data are reported as of July 1995.—see Table Notes for further reference.

Table 2. Return and Economic/Demographic Data by Old IRS Regions and Districts, 1988–2002

(total dollar amounts in millions, per capita dollar amounts in units, other amounts in thousands)

Item	Actual				Projected			
	1988	1990	1992	1994	1996	1998	2000	2002
Anchorage District								
Total Returns	512	496	527	560	603	653	685	748
Total Individual Returns	331	309	333	350	384	422	441	489
Corporation Returns	9	9	9	9	9	10	10	10
Employment Returns	63	65	65	70	72	73	76	77
Excise Tax Returns	3	2	2	3	3	3	3	3
Civilian Employment	227	238	237	284	292	300	306	311
Construction Employment	9	11	10	13	14	14	14	14
Finance, Real Estate, and Insurance Employment	11	10	11	12	12	12	12	12
Government Employment	65	70	72	73	74	76	77	78
Manufacturing Employment	15	17	18	16	15	16	16	16
Mining Employment	10	12	10	10	9	9	8	8
Services Employment	44	51	54	58	63	67	70	73
Transporation, Public Utilities Employment	17	21	23	24	25	25	25	25
Trade Employment	42	46	48	52	54	56	57	58
Personal Income ($)	9,960	11,760	13,220	14,780	16,370	18,310	20,950	23,170
Real Personal Income ('87 $)	9,360	10,090	10,630	11,290	11,890	12,490	13,000	13,450
Per Capita Personal Income ($)	18,444	21,000	22,407	24,230	26,403	29,063	32,733	36,047
Real Per Capita Personal Income ('87 $)	17,333	18,018	18,017	18,508	19,177	19,825	20,313	21,016
Population	544	557	589	607	618	628	635	642
Population Age 65 and Over	21	23	25	28	29	30	30	30
Boise District								
Total Returns	706	755	813	865	901	939	987	1,001
Total Individual Returns	377	407	442	468	489	507	516	530
Corporation Returns	14	15	16	18	19	21	22	24
Employment Returns	119	124	132	144	149	152	156	160
Excise Tax Returns	9	8	8	8	8	8	8	8
Civilian Employment	451	464	484	562	580	602	619	633
Construction Employment	15	19	22	30	31	33	35	34
Finance, Real Estate, and Insurance Employment	19	20	22	25	25	26	27	28
Government Employment	75	80	87	92	97	101	104	107
Manufacturing Employment	58	63	66	73	72	74	73	72
Mining Employment	3	4	3	2	2	2	2	2
Services Employment	72	81	90	103	112	121	128	134
Transporation, Public Utilities Employment	19	20	20	22	23	24	24	24
Trade Employment	87	97	105	117	123	129	133	136
Personal Income ($)	12,700	15,310	17,720	19,990	22,370	25,210	28,510	31,790
Real Personal Income ('87 $)	12,190	13,520	14,450	16,220	17,340	18,370	19,290	19,940
Per Capita Personal Income ($)	12,828	15,010	16,561	17,535	18,958	20,835	23,220	25,432
Real Per Capita Personal Income ('87 $)	12,313	13,255	13,505	14,228	14,695	15,182	15,610	15,952
Population	990	1,019	1,072	1,137	1,177	1,208	1,233	1,254
Population Age 65 and Over	116	122	128	132	137	140	142	144
Honolulu District								
Total Returns	915	975	1,008	1,005	1,005	1,037	1,059	1,078
Total Individual Returns	506	537	563	556	565	593	608	625
Corporation Returns	22	23	24	25	24	24	24	23
Employment Returns	122	127	126	124	125	127	128	129
Excise Tax Returns	2	2	2	1	1	1	1	1
Civilian Employment	502	521	546	563	569	586	606	622
Construction Employment	24	33	31	31	30	30	30	30
Finance, Real Estate, and Insurance Employment	35	37	38	40	40	41	42	43
Government Employment	98	104	109	110	111	114	117	120
Manufacturing Employment	22	21	20	18	17	17	17	16
Mining Employment	0	0	0	0	0	0	0	0
Services Employment	133	155	163	165	177	190	201	210
Transporation, Public Utilities Employment	38	42	43	41	42	42	43	43
Trade Employment	127	135	136	132	137	144	149	153
Personal Income ($)	18,580	22,840	25,370	28,440	31,300	34,650	38,050	43,750
Real Personal Income ('87 $)	18,220	20,320	21,060	22,030	22,610	24,410	25,720	26,940
Per Capita Personal Income ($)	17,204	20,393	21,871	24,102	25,868	28,333	30,748	33,915
Real Per Capita Personal Income ('87 $)	16,870	18,143	18,155	18,669	18,686	19,841	20,752	20,884
Population	1,084	1,118	1,156	1,184	1,208	1,245	1,276	1,298
Population Age 65 and Over	112	126	133	143	147	151	155	159

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Economic and demographic data are reported as of July 1995—see Table Notes for further reference.

Table 2. Return and Economic/Demographic Data by Old IRS Regions and Districts, 1988–2002

(total dollar amounts in millions; per capita dollar amounts in units; other amounts in thousands)

Item	Actual				Projected			
	1988	1990	1992	1994	1996	1998	2000	2002
Laguna Niguel District								
Total Returns	6,601	7,189	7,173	6,951	6,899	7,043	7,185	7,347
Total Individual Returns	3,607	3,986	4,094	3,950	3,967	4,058	4,151	4,260
Corporation Returns	118	125	119	115	114	112	111	110
Employment Returns	868	925	897	877	866	876	882	890
Excise Tax Returns	17	15	14	13	13	14	14	15
Civilian Employment	3,496	3,766	3,700	3,787	3,900	4,079	4,247	4,397
Construction Employment	164	169	134	131	140	152	158	162
Finance, Real Estate, and Insurance Employment	180	192	190	190	187	194	205	212
Government Employment	411	455	467	472	484	502	522	540
Manufacturing Employment	466	465	431	411	398	400	399	397
Mining Employment	4	2	3	3	3	3	3	3
Services Employment	678	759	797	852	911	990	1,055	1,119
Transporation, Public Utilities Employment	102	108	108	119	127	130	133	137
Trade Employment	677	727	701	718	740	776	807	838
Personal Income ($)	150,190	177,100	188,280	201,660	222,040	248,700	278,440	311,800
Real Personal Income ('87 $)	143,810	153,720	153,390	156,410	163,500	173,000	182,790	192,030
Per Capita Personal Income ($)	18,073	19,899	20,311	21,340	22,962	24,995	27,218	29,667
Real Per Capita Personal Income ('87 $)	17,306	17,272	16,547	16,551	16,908	17,387	17,868	18,271
Population	8,309	8,897	9,266	9,451	9,671	9,949	10,233	10,512
Population Age 65 and Over	855	910	944	976	999	1,020	1,043	1,066
Las Vegas District								
Total Returns	865	989	1,084	1,173	1,245	1,287	1,361	1,446
Total Individual Returns	500	575	634	684	726	734	773	822
Corporation Returns	20	23	26	30	32	34	37	40
Employment Returns	117	129	136	146	154	158	162	166
Excise Tax Returns	6	8	8	10	10	11	11	12
Civilian Employment	554	592	627	736	780	828	864	904
Construction Employment	37	48	39	51	50	52	56	56
Finance, Real Estate, and Insurance Employment	25	28	29	33	33	34	36	38
Government Employment	66	74	85	91	98	103	108	112
Manufacturing Employment	25	26	26	32	32	32	32	32
Mining Employment	11	14	13	13	12	12	12	12
Services Employment	235	274	282	319	344	374	410	439
Transporation, Public Utilities Employment	29	32	33	38	40	41	43	44
Trade Employment	109	124	130	142	146	153	164	172
Personal Income ($)	18,780	24,170	28,380	33,620	38,400	42,900	48,590	54,380
Real Personal Income ('87 $)	18,530	21,560	23,740	27,270	29,840	32,090	34,310	36,410
Per Capita Personal Income ($)	17,229	19,650	21,179	23,027	24,615	26,159	28,582	30,898
Real Per Capita Personal Income ('87 $)	17,000	17,528	17,716	18,678	19,128	19,567	20,182	20,687
Population	1,086	1,229	1,340	1,464	1,564	1,642	1,699	1,762
Population Age 65 and Over	117	130	147	166	178	187	194	202
Los Angeles District								
Total Returns	5,913	6,140	6,049	5,761	5,677	5,770	5,872	5,977
Total Individual Returns	3,139	3,343	3,380	3,181	3,191	3,268	3,355	3,440
Corporation Returns	132	134	129	126	124	123	122	120
Employment Returns	887	897	874	861	837	848	855	863
Excise Tax Returns	15	11	10	9	8	8	8	8
Civilian Employment	4,048	4,208	3,901	3,906	3,977	4,089	4,198	4,287
Construction Employment	132	136	107	105	111	117	121	123
Finance, Real Estate, and Insurance Employment	272	278	258	255	249	251	257	263
Government Employment	496	530	530	524	530	538	549	558
Manufacturing Employment	876	833	714	653	622	619	611	603
Mining Employment	9	8	8	7	6	6	6	6
Services Employment	1,101	1,181	1,129	1,189	1,262	1,353	1,424	1,494
Transporation, Public Utilities Employment	207	212	203	208	216	218	219	219
Trade Employment	935	946	847	834	845	876	899	916
Personal Income ($)	144,790	163,820	173,530	184,650	201,460	222,930	246,530	272,110
Real Personal Income ('87 $)	138,630	142,190	141,370	143,220	148,340	155,080	161,840	167,590
Per Capita Personal Income ($)	19,280	21,248	22,022	23,197	24,995	27,421	29,774	32,433
Real Per Capita Personal Income ('87 $)	18,459	18,442	17,940	17,992	18,404	19,075	19,546	19,975
Population	7,514	7,712	7,879	7,960	8,055	8,133	8,283	8,388
Population Age 65 and Over	739	742	751	769	777	777	786	789

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Table 2. Return and Economic/Demographic Data by Old IRS Regions and Districts, 1988–2002

(total dollar amounts in millions; per capita dollar amounts in units; other amounts in thousands)

District and Item	Actual				Projected			
	1988	1990	1992	1994	1996	1998	2000	2002
Portland District								
Total Returns	2,319	2,455	2,568	2,640	2,736	2,814	2,894	2,968
Total Individual Returns	1,195	1,261	1,325	1,357	1,422	1,453	1,485	1,514
Corporation Returns	43	46	52	56	59	64	69	73
Employment Returns	352	363	373	396	406	415	426	435
Excise Tax Returns	16	14	13	13	13	13	13	14
Civilian Employment	1,342	1,401	1,418	1,548	1,617	1,683	1,734	1,775
Construction Employment	41	54	51	63	68	70	72	73
Finance, Real Estate, and Insurance Employment	74	80	86	99	101	104	107	110
Government Employment	207	219	227	233	244	254	262	268
Manufacturing Employment	214	220	209	219	216	217	215	212
Mining Employment	1	2	2	2	2	2	2	2
Services Employment	263	297	311	339	372	402	425	447
Transporation, Public Utilities Employment	60	65	66	68	73	75	76	77
Trade Employment	291	312	318	339	356	374	386	395
Personal Income ($)	41,320	48,880	55,090	62,540	69,170	77,600	87,890	98,410
Real Personal Income ('87 $)	39,780	42,940	45,200	49,180	52,580	56,120	58,930	61,230
Per Capita Personal Income ($)	15,025	17,031	18,425	20,174	21,683	23,659	26,158	28,775
Real Per Capita Personal Income ('87 $)	14,465	14,962	15,117	15,865	16,483	17,110	17,539	17,904
Population	2,754	2,872	2,988	3,095	3,193	3,283	3,357	3,421
Population Age 65 and Over	379	394	411	423	437	446	454	461
Sacramento District								
Total Returns	3,906	4,223	4,324	4,246	4,377	4,656	5,082	5,418
Total Individual Returns	1,994	2,170	2,253	2,209	2,328	2,560	2,939	3,231
Corporation Returns	52	55	54	53	53	54	54	55
Employment Returns	541	568	575	566	564	573	587	601
Excise Tax Returns	17	14	14	12	12	11	11	11
Civilian Employment	1,858	2,032	2,083	2,134	2,227	2,315	2,402	2,486
Construction Employment	97	109	93	91	96	100	103	106
Finance, Real Estate, and Insurance Employment	107	116	123	128	129	132	138	142
Government Employment	383	413	415	416	428	443	458	471
Manufacturing Employment	171	179	176	175	178	181	182	182
Mining Employment	5	5	5	5	5	5	5	5
Services Employment	382	426	464	479	518	557	590	625
Transporation, Public Utilities Employment	84	89	92	95	98	100	102	104
Trade Employment	419	445	445	459	476	496	512	527
Personal Income ($)	83,840	99,810	109,290	117,100	130,100	145,380	161,970	180,960
Real Personal Income ('87 $)	80,280	86,630	89,030	90,820	95,800	101,130	106,330	111,450
Per Capita Personal Income ($)	18,030	20,123	21,180	22,262	24,227	26,433	28,769	31,417
Real Per Capita Personal Income ('87 $)	17,265	17,466	17,254	17,266	17,840	18,387	18,886	19,349
Population	4,648	4,963	5,155	5,257	5,365	5,496	5,630	5,763
Population Age 65 and Over	552	593	619	646	666	683	703	723
San Francisco District								
Total Returns	2,749	2,680	2,659	2,607	2,574	2,629	2,695	2,754
Total Individual Returns	1,378	1,324	1,350	1,315	1,324	1,351	1,389	1,419
Corporation Returns	44	45	43	42	42	42	42	42
Employment Returns	378	381	363	367	343	347	351	356
Excise Tax Returns	6	4	4	4	3	3	3	3
Civilian Employment	1,568	1,644	1,613	1,657	1,691	1,727	1,765	1,805
Construction Employment	53	53	47	56	57	58	58	59
Finance, Real Estate, and Insurance Employment	124	124	123	127	124	123	125	127
Government Employment	239	246	243	237	240	242	246	250
Manufacturing Employment	150	152	148	144	142	142	142	141
Mining Employment	2	2	2	2	2	2	2	2
Services Employment	390	423	424	448	468	493	512	536
Transporation, Public Utilities Employment	109	113	112	114	117	118	118	119
Trade Employment	327	330	306	310	318	328	336	342
Personal Income ($)	59,240	68,200	73,040	78,440	85,440	94,170	103,760	114,900
Real Personal Income ('87 $)	56,720	59,190	59,500	60,840	62,910	65,510	68,120	70,770
Per Capita Personal Income ($)	22,525	25,639	26,952	28,628	30,734	33,394	36,407	39,896
Real Per Capita Personal Income ('87 $)	21,567	22,252	21,956	22,204	22,629	23,230	23,902	24,573
Population	2,629	2,665	2,708	2,737	2,777	2,817	2,846	2,880
Population Age 65 and Over	319	321	326	335	340	343	346	349

Notes: Actual return volumes are reported by location of taxpayer, not by processing site.
Return projections are presented in IRS Document 6149—see Table Notes for further reference.
Economic and demographic data are reported as of July 1995.—see Table Notes for further reference.

Table 2. Return and Economic/Demographic Data by Old IRS Regions and Districts, 1988–2002

(total dollar amounts in millions; per capita dollar amounts in units; other amounts in thousands)

Item	Actual				Projected			
	1988	1990	1992	1994	1996	1998	2000	2002
San Jose District								
Total Returns	4,291	4,553	4,611	4,561	4,535	4,673	4,786	4,893
Total Individual Returns	2,313	2,494	2,598	2,564	2,575	2,670	2,742	2,806
Corporation Returns	65	66	64	63	62	61	60	60
Employment Returns	606	622	612	606	598	604	608	613
Excise Tax Returns	20	15	15	14	14	15	15	16
Civilian Employment	2,404	2,557	2,605	2,652	2,744	2,843	2,933	3,007
Construction Employment	98	109	95	98	103	107	110	112
Finance, Real Estate, and Insurance Employment	96	101	101	104	104	106	109	113
Government Employment	368	393	405	411	421	431	442	453
Manufacturing Employment	434	437	419	409	404	409	409	405
Mining Employment	19	20	17	15	15	14	14	14
Services Employment	517	560	607	623	672	726	769	810
Transporation, Public Utilities Employment	85	91	93	95	98	100	101	102
Trade Employment	519	534	532	541	560	585	603	618
Personal Income ($)	97,250	112,750	121,710	128,860	142,100	158,000	175,470	195,310
Real Personal Income ('87 $)	93,110	97,860	99,150	99,940	104,630	109,910	115,190	120,290
Per Capita Personal Income ($)	17,618	19,507	20,353	21,090	22,809	24,882	27,121	29,592
Real Per Capita Personal Income ('87 $)	16,868	16,931	16,580	16,357	16,795	17,309	17,804	18,226
Population	5,523	5,784	5,977	6,107	6,233	6,354	6,474	6,599
Population Age 65 and Over	556	582	602	628	646	658	671	685
Seattle District								
Total Returns	3,851	4,156	4,415	4,522	4,672	4,822	4,948	5,086
Total Individual Returns	2,046	2,218	2,359	2,401	2,521	2,611	2,674	2,755
Corporation Returns	69	75	84	90	95	103	110	117
Employment Returns	565	594	626	663	673	688	706	722
Excise Tax Returns	34	33	34	34	33	34	34	34
Civilian Employment	2,172	2,368	2,397	2,564	2,640	2,750	2,835	2,906
Construction Employment	99	120	120	130	137	142	144	147
Finance, Real Estate, and Insurance Employment	110	116	120	125	127	130	134	138
Government Employment	362	390	416	431	450	466	480	491
Manufacturing Employment	342	369	348	336	324	331	332	330
Mining Employment	3	4	3	3	3	3	3	3
Services Employment	444	505	557	600	653	702	741	781
Transporation, Public Utilities Employment	102	113	114	120	128	131	132	134
Trade Employment	475	520	537	560	585	613	632	647
Personal Income ($)	76,430	93,010	108,800	121,080	132,860	146,790	159,610	176,370
Real Personal Income ('87 $)	74,470	82,470	89,060	94,400	100,340	106,520	111,460	115,940
Per Capita Personal Income ($)	16,401	18,904	21,044	22,590	24,069	25,889	27,566	29,944
Real Per Capita Personal Income ('87 $)	15,981	16,762	17,226	17,612	18,178	18,787	19,250	19,684
Population	4,663	4,923	5,167	5,360	5,518	5,666	5,786	5,888
Population Age 65 and Over	550	579	602	620	639	652	663	673
AC (International)								
Total Returns	1,145	1,800	1,770	1,802	1,744	1,821	1,920	2,035
Total Individual Returns	548	1,082	1,060	1,063	1,002	1,045	1,109	1,187
Corporation Returns	20	24	25	25	26	27	28	29
Employment Returns	202	220	217	224	212	217	221	225
Excise Tax Returns	3	4	4	6	8	10	12	15
Civilian Employment	0	0	0	0	0	0	0	0
Construction Employment	0	0	0	0	0	0	0	0
Finance, Real Estate, and Insurance Employment	0	0	0	0	0	0	0	0
Government Employment	0	0	0	0	0	0	0	0
Manufacturing Employment	0	0	0	0	0	0	0	0
Mining Employment	0	0	0	0	0	0	0	0
Services Employment	0	0	0	0	0	0	0	0
Transporation, Public Utilities Employment	0	0	0	0	0	0	0	0
Trade Employment	0	0	0	0	0	0	0	0
Personal Income ($)	0	0	0	0	0	0	0	0
Real Personal Income ('87 $)	0	0	0	0	0	0	0	0
Per Capita Personal Income ($)	0	0	0	0	0	0	0	0
Real Per Capita Personal Income ('87 $)	0	0	0	0	0	0	0	0
Population	0	0	0	0	0	0	0	0
Population Age 65 and Over	0	0	0	0	0	0	0	0

Notes: Actual return volumes are reported by location of taxpayer, not by processing site.
Return projections are presented in IRS Document 6149—see Table Notes for further reference.
Economic and demographic data are reported as of July 1995.—see Table Notes for further reference.

Table 3. Returns, FTDs, Withholding/Information Documents, and Economic/Demographic Data for the United States and IRS Service Centers, 1988–2002

(total dollar amounts in millions; per capita dollar amounts in units; other amounts in thousands)

Item	Actual				Projected			
	1988	1990	1992	1994	1996	1998	2000	2002
United States								
Total Returns	195,135	203,223	206,003	205,781	209,845	215,778	221,825	227,960
Total Individual Returns	107,259	112,596	115,047	115,062	119,123	123,074	127,049	131,107
Corporation Returns	4,027	4,320	4,518	4,666	4,821	5,091	5,352	5,609
Employment Returns	28,335	28,911	28,717	29,274	28,682	29,090	29,592	30,084
Excise Tax Returns	983	852	832	823	813	838	866	898
Number of Federal Tax Deposits	76,535	81,322	84,525	95,065	101,461	109,471	116,569	124,266
Withholding / Information Documents	991,468	1,047,767	1,039,944	1,063,448	1,099,631	1,133,993	1,168,147	1,199,970
Withholding Documents	221,114	236,520	196,656	205,965	214,393	218,575	225,332	232,123
Information Documents	770,902	811,246	843,288	857,483	885,237	915,418	942,814	967,847
Civilian Employment	114,978	117,915	117,599	123,065	126,894	130,928	134,284	137,373
Construction Employment	5,096	5,123	4,490	5,010	5,283	5,408	5,532	5,616
Finance, Real Estate, and Insurance Employment	6,630	6,709	6,605	6,933	6,974	7,072	7,275	7,465
Government Employment	17,387	18,302	18,644	19,118	19,603	20,081	20,573	20,991
Manufacturing Employment	19,313	19,081	18,104	18,305	17,969	18,010	17,862	17,689
Mining Employment	715	706	632	599	574	556	558	552
Services Employment	25,501	27,931	29,044	31,485	33,945	36,276	38,186	40,108
Transporation, Public Utilities Employment	5,514	5,792	5,724	6,008	6,245	6,319	6,368	6,413
Trade Employment	25,052	25,777	25,355	26,576	27,507	28,502	29,278	29,963
Personal Income ($)	4,075,920	4,673,770	5,154,300	5,701,710	6,312,090	6,985,390	7,721,960	8,543,470
Real Personal Income ('87 $)	3,910,320	4,066,920	4,173,960	4,409,300	4,640,520	4,864,160	5,066,700	5,262,770
Per Capita Personal Income ($)	16,615	18,673	20,151	21,841	23,722	25,782	28,018	30,490
Real Per Capita Personal Income ('87 $)	15,940	16,248	16,319	16,891	17,440	17,953	18,384	18,782
Population	245,309	250,270	255,767	261,030	266,072	270,914	275,619	280,236
Population Age 65 and Over	30,192	31,290	32,312	33,234	33,977	34,433	34,921	35,408
Andover Service Center								
Total Returns	17,034	17,410	16,989	18,416	18,377	18,865	19,419	19,955
Total Individual Returns	9,331	9,588	9,363	11,011	10,952	11,347	11,793	12,217
Corporation Returns	388	383	382	385	406	424	441	457
Employment Returns	2,488	2,443	2,328	2,298	2,305	2,345	2,375	2,406
Excise Tax Returns	77	64	57	52	51	54	54	56
Number of Federal Tax Deposits	8,431	7,078	6,735	7,005	0	0	0	0
Withholding / Information Documents	5,538	5,498	5,576	5,666	1,542	1,598	1,648	1,690
Withholding Documents	11	2	2	4	0	0	0	0
Information Documents	5527	5496	5,574	5,662	1,542	1,598	1,648	1,690
Civilian Employment	9,617	9,737	9,499	9,657	9,799	10,054	10,260	10,438
Construction Employment	470	384	283	313	332	345	353	354
Finance, Real Estate, and Insurance Employment	616	609	577	588	580	590	604	617
Government Employment	1,422	1,461	1,426	1,452	1,462	1,484	1,513	1,529
Manufacturing Employment	1,938	1,789	1,628	1,560	1,494	1,490	1,477	1,462
Mining Employment	11	8	7	7	7	7	7	7
Services Employment	2,433	2,564	2,580	2,822	3,027	3,214	3,360	3,509
Transporation, Public Utilities Employment	392	396	374	372	372	374	373	371
Trade Employment	2,202	2,156	2,014	2,096	2,140	2,198	2,243	2,278
Personal Income ($)	371,810	414,890	444,200	482,230	530,990	581,910	639,130	704,320
Real Personal Income ('87 $)	359,740	361,070	359,240	374,440	388,030	401,700	415,540	428,640
Per Capita Personal Income ($)	18,620	20,555	21,938	23,714	25,879	28,087	30,542	33,306
Real Per Capita Personal Income ('87 $)	18,016	17,889	17,742	18,414	18,912	19,389	19,858	20,270
Population	19,968	20,184	20,248	20,335	20,518	20,718	20,926	21,147
Population Age 65 and Over	2,652	2,698	2,758	2,808	2,846	2,864	2,887	2,913

Notes: Actual return volumes are reported by location of taxpayer, not by processing site
Return projections are presented in IRS Document 6186 —see Table Notes Section for further reference
Economic and demographic data are reported as of July 1995. —see Table Notes for further reference
Volumes of Federal Tax Deposits and Withholding/Information Documents are reported by processing site and reflect impact of "SCRIPS" alignment.

Table 3. Returns, FTDs, Withholding/Information Documents, and Economic/Demographic Data for the United States and IRS Service Centers, 1988–2002

(total dollar amounts in millions; per capita dollar amounts in units; other amounts in thousands)

Item	Actual				Projected			
	1988	1990	1992	1994	1996	1998	2000	2002
Brookhaven Service Center								
Total Returns	17,410	17,082	17,035	15,887	15,879	15,872	15,938	16,065
Total Individual Returns	8,836	8,816	8,746	7,933	7,943	7,873	7,856	7,888
Corporation Returns	537	567	574	570	541	564	585	606
Employment Returns	2,614	2,637	2,536	2,528	2,492	2,509	2,544	2,579
Excise Tax Returns	60	46	36	31	30	31	32	33
Number of Federal Tax Deposits	7,174	7,217	7,261	8,686	0	0	0	0
Withholding / Information Documents	6,388	6,008	7,855	6,305	3,187	3,452	3,708	3,957
Withholding Documents	5	1	2	3	0	0	0	0
Information Documents	6,383	6,007	7,853	6,302	3,187	3,452	3,708	3,957
Civilian Employment	9,061	9,076	8,556	8,644	8,747	8,928	9,077	9,219
Construction Employment	389	348	257	276	286	292	296	295
Finance, Real Estate, and Insurance Employment	898	876	817	842	837	839	855	869
Government Employment	1,379	1,419	1,379	1,366	1,338	1,352	1,366	1,376
Manufacturing Employment	1,281	1,153	1,012	975	934	928	920	907
Mining Employment	3	3	3	3	3	3	3	3
Services Employment	2,478	2,599	2,531	2,682	2,834	2,986	3,099	3,215
Transporation, Public Utilities Employment	536	543	506	497	497	498	495	492
Trade Employment	1,926	1,871	1,728	1,762	1,808	1,846	1,873	1,897
Personal Income ($)	417,830	471,090	512,320	559,160	618,980	678,850	744,850	820,040
Real Personal Income ('87 $)	397,480	406,830	417,540	428,170	441,270	455,630	469,510	482,460
Per Capita Personal Income ($)	22,044	24,988	27,044	29,298	32,237	35,119	38,278	41,815
Real Per Capita Personal Income ('87 $)	21,071	21,579	21,777	22,435	22,982	23,571	24,128	24,601
Population	18,864	18,853	18,944	19,085	19,201	19,330	19,459	19,611
Population Age 65 and Over	2,427	2,458	2,488	2,519	2,538	2,539	2,544	2,553
Philadelphia Service Center								
Total Returns	20,222	21,749	21,723	20,400	20,503	20,801	21,187	21,651
Total Individual Returns	11,411	12,349	12,412	11,056	11,195	11,287	11,453	11,694
Corporation Returns	302	400	430	436	473	509	544	578
Employment Returns	2,731	2,925	2,876	2,924	2,753	2,786	2,826	2,867
Excise Tax Returns	86	64	72	71	70	72	75	77
Number of Federal Tax Deposits	5,747	7,920	8,025	8,852	0	0	0	0
Withholding / Information Documents	5,551	7,236	7,121	7,342	2,638	2,724	2,801	2,869
Withholding Documents	29	3	1	3	0	0	0	0
Information Documents	5,522	7,233	7,120	7,339	2,638	2,724	2,801	2,869
Civilian Employment	11,439	11,510	11,608	11,910	12,216	12,569	12,855	13,147
Construction Employment	634	614	494	528	554	561	578	589
Finance, Real Estate, and Insurance Employment	640	657	648	683	690	696	712	730
Government Employment	1,924	1,992	2,003	2,038	2,045	2,065	2,096	2,130
Manufacturing Employment	1,780	1,736	1,624	1,605	1,564	1,557	1,545	1,530
Mining Employment	47	44	38	33	30	28	28	27
Services Employment	2,889	3,149	3,222	3,427	3,671	3,894	4,078	4,283
Transporation, Public Utilities Employment	534	555	545	548	554	559	556	554
Trade Employment	2,455	2,497	2,410	2,497	2,584	2,667	2,732	2,794
Personal Income ($)	419,510	480,720	527,240	581,210	641,520	708,240	779,680	857,860
Real Personal Income ('87 $)	403,420	419,390	427,380	446,910	468,830	489,040	506,990	526,380
Per Capita Personal Income ($)	17,561	19,824	21,408	23,301	25,324	27,532	29,899	32,423
Real Per Capita Personal Income ('87 $)	16,887	17,295	17,353	17,917	18,507	19,011	19,442	19,895
Population	23,889	24,249	24,628	24,944	25,332	25,724	26,077	26,458
Population Age 65 and Over	3,061	3,171	3,281	3,376	3,438	3,477	3,515	3,556

Notes: Actual return volumes are reported by location of taxpayer, not by processing site.
Return projections are presented in IRS Document 6186—see Table Notes Section for further reference.
Economic and demographic data are projected as of July 1995.—see Table Notes for further reference.
Volumes for Federal Tax Deposits and Withholding/Information Documents are reported by processing site and reflect completion of SCRIPS alignment.

Table 3. Returns, FTDs, Withholding/Information Documents, and Economic/Demographic Data for the United States and IRS Service Centers, 1988–2002

(total dollar amounts in millions; per capita dollar amounts in units; other amounts in thousands)

Item	Actual				Projected			
	1988	1990	1992	1994	1996	1998	2000	2002
Atlanta Service Center								
Total Returns	18,567	19,101	19,913	18,094	18,648	19,134	19,653	20,210
Total Individual Returns	9,595	10,271	10,693	8,769	9,276	9,455	9,676	9,939
Corporation Returns	515	520	570	608	649	702	754	806
Employment Returns	2,817	2,784	2,800	2,888	2,818	2,892	2,971	3,048
Excise Tax Returns	68	59	60	59	59	60	62	65
Number of Federal Tax Deposits	8,477	7,490	7,677	8,430	0	0	0	0
Withholding / Information Documents	6,126	5,756	6,298	6,359	2,333	2,504	2,668	2,824
Withholding Documents	3	1	3	9	0	0	0	0
Information Documents	6,123	5,755	6,295	6,350	2,333	2,504	2,668	2,824
Civilian Employment	10,324	10,681	10,647	11,491	12,088	12,623	13,084	13,521
Construction Employment	602	585	469	544	582	607	630	649
Finance, Real Estate, and Insurance Employment	596	604	583	616	627	640	664	687
Government Employment	1,499	1,630	1,670	1,753	1,840	1,910	1,981	2,043
Manufacturing Employment	1,500	1,463	1,398	1,434	1,411	1,419	1,408	1,402
Mining Employment	20	19	17	15	15	15	15	14
Services Employment	2,227	2,527	2,677	3,078	3,423	3,713	3,957	4,191
Transporation, Public Utilities Employment	505	544	534	550	560	570	576	581
Trade Employment	2,428	2,528	2,490	2,678	2,817	2,949	3,056	3,157
Personal Income ($)	347,950	408,020	448,150	513,700	576,110	648,950	730,010	820,250
Real Personal Income ('87 $)	334,970	357,180	364,810	396,890	427,370	456,590	484,100	511,150
Per Capita Personal Income ($)	15,715	17,646	18,707	20,742	22,464	24,546	26,848	29,373
Real Per Capita Personal Income ('87 $)	15,129	15,448	15,228	16,026	16,664	17,270	17,804	18,304
Population	22,141	23,122	23,956	24,766	25,646	26,438	27,190	27,925
Population Age 65 and Over	3,211	3,437	3,581	3,728	3,879	3,985	4,091	4,195
Memphis Service Center								
Total Returns	17,482	17,585	18,280	19,171	20,367	21,377	22,237	23,044
Total Individual Returns	9,911	10,383	10,714	11,523	12,699	13,517	14,192	14,816
Corporation Returns	303	333	351	370	392	415	436	457
Employment Returns	2,670	2,657	2,630	2,695	2,556	2,587	2,632	2,676
Excise Tax Returns	106	95	92	95	95	98	101	105
Number of Federal Tax Deposits	6,999	6,956	7,276	8,273	13,581	55,778	77,513	82,613
Withholding / Information Documents	5,405	5,886	6,087	6,687	9,180	8,806	8,459	8,122
Withholding Documents	2	2	3	4	7	10	12	14
Information Documents	5,403	5,884	6,084	6,683	9,173	8,796	8,447	8,108
Civilian Employment	10,910	11,213	11,319	11,937	12,430	12,829	13,145	13,441
Construction Employment	502	519	484	548	582	594	602	607
Finance, Real Estate, and Insurance Employment	466	468	464	499	508	518	535	550
Government Employment	1,722	1,825	1,879	1,960	2,038	2,097	2,156	2,206
Manufacturing Employment	2,398	2,425	2,402	2,492	2,483	2,494	2,476	2,462
Mining Employment	90	90	75	72	72	70	70	71
Services Employment	1,904	2,120	2,308	2,563	2,789	2,991	3,154	3,320
Transporation, Public Utilities Employment	540	565	560	571	577	585	586	585
Trade Employment	2,266	2,353	2,380	2,542	2,645	2,748	2,828	2,899
Personal Income ($)	327,930	373,180	424,640	476,900	529,350	586,770	647,360	715,190
Real Personal Income ('87 $)	313,860	324,560	341,870	368,070	390,710	411,420	429,480	447,090
Per Capita Personal Income ($)	13,329	15,027	16,750	18,362	19,974	21,764	23,606	25,649
Real Per Capita Personal Income ('87 $)	12,757	13,069	13,485	14,172	14,743	15,260	15,661	16,034
Population	24,603	24,834	25,352	25,972	26,502	26,961	27,423	27,884
Population Age 65 and Over	3,003	3,091	3,197	3,291	3,372	3,415	3,463	3,511

Notes: Actual return volumes are reported by location of taxpayer, not by processing site.
Return projections are presented in IRS Document 6186—see Table Notes Section for further reference.
Economic and demographic data are reported as of July 1995.—see Table Notes for further reference.
Volumes of Federal Tax Deposits and Withholding/Information Documents are reported by processing site and reflect impact of "SCRIPS" alignment.

Table 3. Returns, FTDs, Withholding/Information Documents, and Economic/Demographic Data for the United States and IRS Service Centers, 1988–2002
(total dollar amounts in millions; per capita dollar amounts in units; other amounts in thousands)

Item	Actual				Projected			
	1988	1990	1992	1994	1996	1998	2000	2002
Cincinnati Service Center								
Total Returns	22,454	23,500	23,769	25,106	26,549	27,665	28,667	29,532
Total Individual Returns	13,250	13,793	14,038	15,560	17,020	17,982	18,814	19,518
Corporation Returns	380	448	479	500	538	574	609	643
Employment Returns	3,019	3,174	3,177	3,227	3,196	3,222	3,269	3,312
Excise Tax Returns	120	107	103	103	102	105	108	112
Number of Federal Tax Deposits	7,320	9,417	9,647	10,553	24,312	15,208	11,153	11,980
Withholding / Information Documents	3,850	7,676	9,504	9,281	9,506	9,307	9,136	8,968
Withholding Documents	9	2	6	10	13	17	21	23
Information Documents	3,841	7,674	9,498	9,271	9,493	9,290	9,115	8,945
Civilian Employment	14,088	14,304	14,256	15,014	15,449	15,824	16,086	16,316
Construction Employment	526	561	517	574	601	602	610	618
Finance, Real Estate, and Insurance Employment	642	658	663	690	692	700	719	734
Government Employment	2,007	2,084	2,131	2,165	2,222	2,267	2,312	2,349
Manufacturing Employment	3,065	3,062	2,947	3,051	2,997	2,995	2,956	2,914
Mining Employment	109	106	91	86	82	77	76	75
Services Employment	2,868	3,135	3,282	3,496	3,742	3,978	4,166	4,357
Transporation, Public Utilities Employment	600	627	616	621	631	637	635	632
Trade Employment	3,061	3,206	3,183	3,314	3,412	3,511	3,584	3,645
Personal Income ($)	474,600	535,280	591,450	654,790	716,620	785,170	858,940	939,860
Real Personal Income ('87 $)	455,460	465,920	477,970	512,080	535,370	554,490	571,000	586,520
Per Capita Personal Income ($)	15,264	17,097	18,650	20,418	22,091	23,948	25,916	28,050
Real Per Capita Personal Income ('87 $)	14,648	14,881	15,072	15,968	16,504	16,912	17,228	17,505
Population	31,093	31,309	31,713	32,070	32,439	32,786	33,143	33,506
Population Age 65 and Over	3,828	3,947	4,079	4,182	4,245	4,273	4,307	4,345
Kansas City Service Center								
Total Returns	22,555	23,486	23,708	22,031	22,076	22,180	22,357	22,611
Total Individual Returns	12,527	12,999	13,235	11,629	11,651	11,607	11,611	11,686
Corporation Returns	393	463	491	514	500	528	555	583
Employment Returns	3,117	3,303	3,334	3,414	3,370	3,407	3,463	3,519
Excise Tax Returns	148	140	140	140	139	144	148	154
Number of Federal Tax Deposits	7,519	9,031	9,436	10,564	17,837	10,711	7,577	7,865
Withholding / Information Documents	6,901	8,394	10,832	11,527	14,411	13,920	13,451	12,988
Withholding Documents	2	2	0	5	7	10	12	14
Information Documents	6,899	8,391	10,832	11,522	14,404	13,910	13,439	12,974
Civilian Employment	13,982	14,126	14,345	14,849	15,258	15,685	16,021	16,344
Construction Employment	507	542	508	560	586	595	608	614
Finance, Real Estate, and Insurance Employment	812	835	849	902	914	924	949	972
Government Employment	1,914	1,999	2,032	2,086	2,146	2,195	2,244	2,288
Manufacturing Employment	2,582	2,612	2,507	2,599	2,570	2,576	2,550	2,514
Mining Employment	38	37	34	32	31	29	29	29
Services Employment	3,028	3,302	3,488	3,772	4,054	4,311	4,526	4,744
Transporation, Public Utilities Employment	700	734	725	734	740	748	748	745
Trade Employment	3,103	3,186	3,178	3,327	3,438	3,545	3,625	3,702
Personal Income ($)	470,950	539,680	596,910	661,050	730,520	801,800	881,210	969,830
Real Personal Income ('87 $)	448,580	466,590	479,110	504,620	533,780	556,840	576,820	596,480
Per Capita Personal Income ($)	16,565	18,784	20,472	22,352	24,325	26,287	28,484	30,894
Real Per Capita Personal Income ('87 $)	15,778	16,240	16,432	17,062	17,774	18,256	18,645	19,001
Population	28,431	28,731	29,157	29,575	30,032	30,502	30,937	31,392
Population Age 65 and Over	3,685	3,780	3,867	3,928	3,995	4,037	4,076	4,123

Notes: Actual return volumes are reported by location of taxpayer, not by processing site.
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Economic and demographic data are reported as of July 1995.—see Table Notes for further reference.
Volumes of Federal Tax Deposits and Withholding/Information Documents are reported by processing site and reflect impact of "SCRIPS" alignment.

Table 3. Returns, FTDs, Withholding/Information Documents, and Economic/Demographic Data for the United States and IRS Service Centers, 1988–2002

(total dollar amounts in millions; per capita dollar amounts in units; other amounts in thousands)

Item	Actual				Projected			
	1988	1990	1992	1994	1996	1998	2000	2002
Austin Service Center								
Total Returns	17,682	18,308	18,812	20,749	21,110	22,051	22,984	23,897
Total Individual Returns	9,672	10,189	10,649	12,425	12,840	13,553	14,247	14,924
Corporation Returns	401	355	373	390	409	428	447	465
Employment Returns	2,705	2,632	2,654	2,771	2,657	2,691	2,739	2,789
Excise Tax Returns	97	80	79	81	80	82	85	88
Number of Federal Tax Deposits	7,844	6,451	7,405	8,277	0	0	0	0
Withholding / Information Documents	7,838	8,151	8,158	7,680	12,635	12,125	11,650	11,187
Withholding Documents	0	4	0	3	7	9	11	13
Information Documents	7,838	8,147	8,158	7,677	12,628	12,116	11,639	11,174
Civilian Employment	11,018	11,357	11,656	12,244	12,664	13,088	13,485	13,843
Construction Employment	448	458	462	531	568	580	593	605
Finance, Real Estate, and Insurance Employment	586	578	569	603	615	625	646	666
Government Employment	1,736	1,853	1,952	2,049	2,126	2,187	2,250	2,303
Manufacturing Employment	1,346	1,393	1,357	1,408	1,396	1,409	1,399	1,392
Mining Employment	256	251	231	223	211	205	208	206
Services Employment	2,140	2,407	2,552	2,790	3,010	3,226	3,409	3,594
Transporation, Public Utilities Employment	546	587	598	609	619	630	633	634
Trade Employment	2,312	2,399	2,451	2,621	2,713	2,825	2,918	3,001
Personal Income ($)	347,860	399,150	452,030	506,020	567,990	634,420	705,440	785,340
Real Personal Income ('87 $)	332,900	348,050	367,320	391,880	414,530	438,110	458,980	479,950
Per Capita Personal Income ($)	14,579	16,423	18,032	19,519	21,403	23,414	25,463	27,772
Real Per Capita Personal Income ('87 $)	13,952	14,321	14,653	15,116	15,620	16,169	16,567	16,973
Population	23,861	24,304	25,068	25,925	26,538	27,096	27,704	28,278
Population Age 65 and Over	2,552	2,653	2,759	2,853	2,925	2,967	3,020	3,070
Ogden Service Center								
Total Returns	22,106	23,465	24,387	25,881	26,522	27,720	28,954	30,214
Total Individual Returns	11,784	12,524	13,212	14,325	14,687	15,434	16,205	17,018
Corporation Returns	429	456	489	523	546	586	623	659
Employment Returns	3,314	3,406	3,510	3,693	3,767	3,848	3,949	4,038
Excise Tax Returns	161	151	150	149	148	153	158	164
Number of Federal Tax Deposits	7,597	8,347	8,743	9,954	26,529	16,635	12,320	13,358
Withholding / Information Documents	10,084	12,655	12,454	13,388	18,478	17,759	17,064	16,373
Withholding Documents	13	7	19	39	19	25	31	35
Information Documents	10,071	12,647	12,435	13,349	18,459	17,734	17,033	16,338
Civilian Employment	12,522	13,215	13,349	14,754	15,362	16,003	16,524	16,986
Construction Employment	547	612	602	715	751	766	784	798
Finance, Real Estate, and Insurance Employment	667	692	725	794	807	825	852	881
Government Employment	2,172	2,311	2,418	2,495	2,600	2,697	2,779	2,846
Manufacturing Employment	1,475	1,540	1,497	1,546	1,537	1,555	1,553	1,544
Mining Employment	107	116	106	101	97	97	97	95
Services Employment	2,715	3,050	3,284	3,578	3,905	4,211	4,476	4,725
Transporation, Public Utilities Employment	624	671	686	690	699	712	716	718
Trade Employment	2,714	2,909	2,999	3,204	3,350	3,504	3,625	3,723
Personal Income ($)	429,430	507,050	575,430	644,600	717,670	800,630	892,090	992,910
Real Personal Income ('87 $)	413,420	444,050	469,250	503,800	538,640	572,430	600,620	626,480
Per Capita Personal Income ($)	15,673	17,786	19,365	20,848	22,483	24,357	26,505	28,895
Real Per Capita Personal Income ('87 $)	15,088	15,576	15,792	16,294	16,875	17,414	17,845	18,231
Population	27,400	28,508	29,715	30,919	31,920	32,871	33,658	34,363
Population Age 65 and Over	3,192	3,374	3,546	3,698	3,830	3,927	4,017	4,094

Notes: Actual return volumes are reported by location of taxpayer, not by processing site.
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Economic and demographic data are reported as of July 1995. — see Table Notes for further reference.
Volumes of Federal Tax Deposits and Withholding/Information Documents are reported by processing site and reflect impact of "SCRIPS" alignment.

Table 3 Returns, FTDs, Withholding/Information Documents, and Economic/Demographic Data for the United States and IRS Service Centers, 1988–2002

(total dollar amounts in millions, per capita dollar amounts in units, other amounts in thousands)

Item	Actual				Projected			
	1988	1990	1992	1994	1996	1998	2000	2002
Fresno Service Center								
Total Returns	20,317	21,537	21,287	20,004	19,762	20,055	20,364	20,710
Total Individual Returns	10,943	11,684	11,985	10,789	10,808	10,961	11,136	11,337
Corporation Returns	380	393	379	371	366	362	359	355
Employment Returns	2,560	2,952	2,872	2,834	2,768	2,802	2,824	2,851
Excise Tax Returns	39	46	44	41	39	41	42	44
Number of Federal Tax Deposits	9,427	11,416	12,320	14,470	0	0	0	0
Withholding/Information Documents	7,761	9,285	7,121	7,342	2,638	2,724	2,801	2,869
Withholding Documents	2	2	1	3	0	0	0	0
Information Documents	8,762	9,283	7,120	7,339	2,638	2,724	2,801	2,869
Civilian Employment	12,013	12,096	12,365	12,565	12,881	13,324	13,748	14,119
Construction Employment	471	500	414	421	441	466	478	487
Finance, Real Estate, and Insurance Employment	707	732	710	716	704	715	739	759
Government Employment	1,612	1,725	1,754	1,754	1,786	1,827	1,876	1,921
Manufacturing Employment	1,945	1,908	1,732	1,635	1,583	1,587	1,578	1,562
Mining Employment	34	32	30	27	26	25	25	25
Services Employment	2,819	3,075	3,120	3,277	3,490	3,752	3,961	4,170
Transportation, Public Utilities Employment	542	565	557	541	545	555	556	556
Trade Employment	2,585	2,672	2,672	2,535	2,600	2,709	2,794	2,867
Personal Income ($)	470,050	544,710	581,930	622,050	682,340	758,650	843,250	937,870
Real Personal Income ('87 $)	470,430	498,250	514,470	482,440	501,990	527,910	553,660	577,620
Per Capita Personal Income ($)	18,768	20,810	21,564	22,670	24,418	26,631	28,976	31,608
Real Per Capita Personal Income ('87 $)	17,977	18,981	17,582	17,582	17,964	18,531	19,025	19,467
Population	25,169	26,176	26,986	27,439	27,944	28,488	29,102	29,672
Population Age 65 and Over	2,731	2,681	2,756	2,851	2,909	2,949	3,001	3,048

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Indexes

Index of Past Articles

Index of Past Abstracts

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